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ABSTRACT

PANEL DISCUSSIONS ON THE FOLLOWING TOPICS ARE INCLUDED--(1) CONSTRUCTION FINANCING--PRIVATE SOURCES, (2) COLLEGE STORE OPERATIONS, (3) COLLEGE UNION OPERATIONS, (4) CONSTRUCTION FINANCING--GOVERNMENT SOURCE, (5) RECRUITMENT AND TRAINING OF BUSINESS MANAGEMENT PERSONNEL, AND (6) PHYSICAL PLANT PLANNING AND MAINTENANCE. THE CONSITITUTION AND BY-LAWS OF THE SACUBO ARE APPENDED. (FS)

ED0 36055

THIRTY-EIGHTH ANNUAL MEETING

SOUTHERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS

Proceedings

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STATLER-HILTON HOTEL
April 6-9, 1966
DALLAS, TEXAS

EF 001868

RECORD OF MEETINGS

	Date	Place	President	Secretary-Treasurer
1st	April 20-21, 1928	Atlanta, Ga.	G. H. Mew	R. B. Cunningham
2nd	April 20-21, 1929	Gainesville, Fla.	G. H. Mew	R. B. Cunningham
3rd	April 24-26, 1930	Atlanta, Ga.	S. W. Garrett	G. H. Mew
4th	April 23-25, 1931	Nashville, Tenn.	N. M. Yielding	G. H. Mew
5th	April 14-15, 1933	Birmingham, Ala.	N. M. Yielding	G. H. Mew
6th	April 13-14, 1934	Gulfport, Miss.	K. H. Graham	G. H. Mew
7th	April 12-13, 1935	Winter Park, Fla.	F. L. Jackson	G. H. Mew
8th	April 10-11, 1936	Rock Hill, S. C.	Thurman Sensing	G. H. Mew
9th	April 16-17, 1937	Atlanta, Georgia	J. G. Kellum	Thurman Sensing
10th	April 29-30, 1938	Columbus, Miss.	Rupert Cook	Thurman Sensing
11th	April 7- 8, 1939	Chattanooga, Tenn.	E. T. Brown	Thurman Sensing
12th	April 12-13, 1940	Tallahassee, Fla.	R. B. Cunningham	Thurman Sensing
13th	April 17-19, 1941	Bristol, Tenn.-Va.	A. M. Graham	Thurman Sensing
14th	April 9-11, 1942	Danville, Ky.	W. C. Trotter	Thurman Sensing
15th	April 16-17, 1943	Nashville, Tenn.	Gerald D. Henderson	Thurman Sensing
16th	May 4- 6, 1944	Atlanta, Ga.	H. A. Meyer	Gerald D. Henderson
17th*	1945		S. F. Bretske	Gerald D. Henderson
18th	April 18-20, 1946	Atlanta, Ga.	S. F. Bretske	Gerald D. Henderson
19th	April 18-19, 1947	Gulfport, Miss.	W. Wilson Noyes	Gerald D. Henderson
20th	April 23-24, 1948	Birmingham, Ala.	G. R. Kavanaugh	Gerald D. Henderson
21st	April 29-30, 1949	Berea, Ky.	W. T. Ingram	Gerald D. Henderson
22nd	April 13-15, 1950	Miami Beach, Fla.	C. B. Markham	Gerald D. Henderson
23rd	March 29-31, 1951	Chattanooga, Tenn.	J. R. Anthony	Gerald D. Henderson
24th	April 3- 5, 1952	Clemson, S. C.	Gladys Barger	Gerald D. Henderson
25th	April 9-11, 1953	Gainesville, Fla.	Frank D. Peterson	Gerald D. Henderson
26th	April 28- May 1, 1954	Raleigh, N. C.	J. H. Dewberry	Gerald D. Henderson
27th	March 31- April 2, 1955	New Orleans, La.	C. O. Emmerich	Gerald D. Henderson
28th	April 12-14, 1956	Memphis, Tenn.	G. F. Baughman** W. M. Murray**	C. O. Emmerich (S) Gerald D. Henderson (T)
29th	March 14-16, 1957	Charleston, S. C.	R. K. Shaw	C. O. Emmerich (S) Gerald D. Henderson (T)
30th	March 30- April 1, 1958	Dallas, Texas	C. M. Reaves, Jr.	C. O. Emmerich (S) Gerald D. Henderson (T)
31st	April 19-21, 1959	Louisville, Ky.	G. C. Henricksen	C. O. Emmerich (S) W. T. Ingram (T)
32nd	April 3- 5, 1960	Edgewater Park, Miss.	Clarence Scheps	C. O. Emmerich (S) W. T. Ingram (T)

33rd	April 23-25, 1961	Birmingham, Ala.	C. L. Springfield	C. O. Emmerich*** (S) Clarence Scheps*** (S) W. T. Ingram (T)
34th	April 11-13, 1962	Miami Beach, Fla.	Trent C. Root	Clarence Scheps (S) W. T. Ingram (T)
35th	April 17-19, 1963	New Orleans, La.	J. G. Vann	Clarence Scheps (S) W. T. Ingram (T)
36th	April 15-17, 1964	Atlanta, Ga.	Eugene E. Cohen	Clarence Scheps (S) W. T. Ingram (T)
37th	March 31-April 2, 1965	Durham, N. C.	Luther C. Callahan	Clarence Scheps (S) W. T. Ingram (T)
38th	April 6- 9, 1966	Dallas, Texas	V. Howard Belcher	Luther C. Callahan (S) W. T. Ingram (T)

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*Papers were published but there was no meeting because of wartime restrictions.
**George F. Baughman-2 months. W. M. Murray balance of term.
***C. O. Emmerich-6 months. Clarence Scheps balance of term.

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Berndt, Mr. and Mrs. Walter F.
Stephen F. Austin State College

Bibbee, Larry
Baldwin-Wallace College

Birkhead, Richard F.
Kentucky Wesleyan College

Blevins, John
Cooke County Junior College

Bosch, J. F.
The Citadel

Bowden, Perry
SAGA Food Service

Bowling, Donald
University of Louisville

Branch, J. A.
University ot North Carolina

Broadhurst, J. W.
University of Georgia

Brogdon, Mr. and Mrs. J. T.
University of Houston

Burkett, E. C.
South Georgia College

Burns, C. E.
Southern University

Butler, W. E.
Elon College

C

Calhoun, Walter B.
Louisiana State University and
A & M College

Callahan, Mr. and Mrs. Luther C.
University of Alabama

Cangelosi, R. J.
Louisiana State University
and A & M College

Carlisle, Mr. and Mrs. C. H.
Erskine College

Carpenter, Jim
Florida State University

Carriker, Fred K.
South Texas College

Cassell, Stuart K.
Virginia Polytechnic Institute

Chambers, Mr. and Mrs. J. M.
Southwestern at Memphis

Chambliss, Mr. Leonard P.
Jackson State College

Cissel, C. Wilbur
University of Maryland

Coco, Quinn M.
Louisiana State University and
A & M College

Cohen, Mr. and Mrs. Eugene
University of Miami

Coleianne, Vincent R.
Catonsville Community College

Coles, Mahlon J.
Converse College

Cook, James B.
Wake Forest College

Cotton, Harold D.
E & I Co-operative Service

Coyle, Edward J.
Oklahoma State Regents for
Higher Education

Craddock, Mr. and Mrs. Harry
Bethany Nazarene College

D

Dannelley, Mr. and Mrs. Thomas
Mary Hardin-Baylor College

Darsie, John C.
University of Kentucky

Davidson, E. E.
University of Mississippi

Davidson, William R.
University of Louisville

Dennard, Robert L.
University of South Florida

Dewberry, Monroe W.
Mississippi State University

Diebel, Mr. and Mrs. R. Clark
Texas A & M University System

Dillard, Doyle M.
Mobile College

Dortch, Clarence
Talladega College

Dozier, John M.
Duke University

Drennan, Judson H.
Winthrop College

Drake, Fred L.
University of Alabama

Dunsworth, Mr. and Mrs. Bill
University of Oklahoma

DuVon, J. D.
Division of College Facilities
Office of Education — HEW

E

Egelhoff, Mr. and Mrs. Norm
Concordia College

Eisele, Robert
SAGA Food Service

Elder, Charles H.
South Georgia College

Emile, Sister M.
Sacred Heart Dominican College

English, William C.
Texas College of Arts & Industries

F

Farquharson, Don
Queens College

Fenix, R. W.
University of Chattanooga

Fenner, E. H.
Texas A & M University System

Ferguson, H. L.
University of North Carolina at Greensboro

Fiveash, Mr. and Mrs. W. M.
McMurry College

Folsom, Mr. and Mrs. O. G.
Southern Methodist University

Francis, Percy A.
Lubbock Christian College

Freeman, Homer
University of Louisville

Freeman, Mr. and Mrs. W. C.
Texas A & M University System

Frye, James T.
University of Maryland

G

Galbraith, John
University of Miami

Gant, Edward S.
Presbyterian School of
Christian Education

Garner, Erwin W.
Henderson State Teachers College

Garrett, Mrs. Lanell
Wayland Baptist College

Garner, Mr. and Mrs. R. Frank
Florida Presbyterian College

Gartner, Paul E.
Wharton County Junior College

Gatlin, Anna B.
Connors State College

Gentry, Solon
East Tennessee State University

Gerrett, Glen F.
Radford College

Giezentanner, Mr. and Mrs. Dud
University of Oklahoma

Glaske, Paul E.
Le Tourneau College

Green, John L.
University of Georgia

Guyton, N. H.
Blue Mountain College

H

Harris, Walter L.
Lon Morris College

Hasser, James E.
Spring Hill College

Haywood, William T.
Mercer University

Heilman, Mr. and Mrs. E. Bruce
Peabody College

Helms, Harold A.
University of Alabama
Medical Center

Henegar, Mr. and Mrs. Richard
Gordon Military College

Henderson, Mr. and Mrs. Gerald D.
Vanderbilt University

Henderson, J. Robert
University of Virginia

Henry, Tom M.
Winthrop College

Hill, Carl M.
George Peabody College

Hilliard, Hugh E.
Emory University

Hilton, Edward W.
National Science Foundation

Hinton, Trescott N.
Clemson College

Holman, E. F.
David Lipscomb College

Howington, J. B.
Truett McConnell College

Hudson, James L.
Bethel College

Huff, Frank H.
Georgia Institute of Technology

Huger, James E.
Bethune-Cookman College

I

Ingram, Mr. and Mrs. W. T.
Auburn University

J

Jackson, Frank T.
Mississippi State University

Jackson, J. W.
Middle Tennessee State University

Jacoby, Mr. and Mrs. Earl C.
University of Alabama at Huntsville

Jaeger, Albert J.
University of Southern Mississippi

Johnson, Alfus O.
Baylor University College of Medicine

Johnson, Mr. and Mrs. J. Alton
Reinhardt College

Johnson, R. K.
Bob Jones University

Jones, William L.
Tennessee Technological University

Jordon, William H.
University of Oklahoma

Judene, Sister Mary
St. Mary's Dominican College

Junior, E. J.
Albany State College

K

Kantner, George B.

Kavanaugh, George R.
University of Kentucky

Kelley, O. D.
Coker College

Kelley, W. L.
East Texas State University

Kerley, Robert F.
University of Kentucky

Kilner, George S.
Queens College

King, Matthew L.
Jackson State College

Kuder, Ralph
St. Edward's University

L

Lambert, Kenneth D.
Hardin-Simmons University

Lanier, Laney M.
Mississippi College

Layman, Frank
Maryville College

Leise, J. M.
National Science Foundation

Livesay, Mr. and Mrs. H. Y.
Lincoln Memorial University

Levine, Mr. and Mrs. Oscar
National Science Foundation

Little, B. A.
Southern University

Locke, Joe
Slater School and College Services

Lockhart, T. E.
Austin College

Logan, H. K.
Tuskegee Institute

Lowery, R. Sperlin
Spring Hill College

M

McCall, Mr. and Mrs. Hobby H.
Dallas, Texas

McClendon, George
St. Gregory's College

McCook, Mr. and Mrs. I. J.
Southwestern University

McCoy, Shealy
Valdosta State College

McDowell, Donald L.
University of Florida

McElhinney, Mr. and Mrs. C. F.
University of Houston

McGraw, Thomas J.
Gardner Webb College

McKnight, Roy J.
Baylor University

McTier, John T.
Emory University

Maclin, Mr. and Mrs. Sam
Russ and Company

Malone, S. Durward
University of South Alabama

Marie, Sister Bernadette
Our Lady of the Lake College

Martin, H. L.
Samford University

Martin, Mr. and Mrs. Ralph
Southern Methodist University

Martin, Sister Rose
Sacred Heart Dominican College

Maupin, Clay
University of Kentucky

Mellen, Mary Gillis
Pensacola Junior College

Miller, William B.
East Tennessee State University

Montgomery, Fred D.
Talladega College

Moody, H. R.
The University of the South

Morck, Mr. and Mrs. Theos
Texas Lutheran College

Moreau, Harry J.
Louisiana State University
and A & M College

Morgan, Jesse B.
Tulane University

Morris, Arthur L.
West Virginia University

Murray, Joseph
Catonsville Community College

Myers, Orie E.
Emory University

N

Nance, M. Maceo
South Carolina State College

Nance, Paul K.
U. S. Office of Education

Needham, Enoch
Oklahoma State University

Nestor, Paul
University of Kentucky

Netterville, G. Leon
Southern University

North, Richard U.
Southern Methodist University

Norwood, Joe O.
South Texas College

O

Osborne, Mr. and Mrs. Jay
Southern Methodist University

Owen, James S.
University of Mississippi
Medical Center

Owsley, Lindsey C.
Central State College

P

Palmer, A. L.
Texas Southern University

Parker, Mr. and Mrs. Carl F.
Austin College

Parks, S. L.
Scarritt College

Partridge, Mr. and Mrs. H. R.
Florida A & M University

Patterson, Floyd
San Marcos Baptist Academy

Patton, Leander R.
Alabama Agricultural
and Mechanical College

Pegues, R. Leigh
Judson College

Pegues, Jim
University of Alabama
Medical Center

Pennington, M. L.
Texas Technological College

Peterson, D. N.
Angelo State College

Pickens, Mr. and Mrs. W.E.
University of Alabama

Pohlig, E. F.
Louisiana State University
School of Medicine

Pomfret, J. E.
University of Arkansas

Porter, Albert J.
Philander Smith College

Powell, Joseph Z.
Baptist College at Charleston

Preston, Thomas R.
Loyola University

Price, Bill
E & I Co-operative Service

Price, Eugene H.
Birmingham-Southern College

Procop, Clarence
University of Arkansas
Medical Center

Purvis, Mr. and Mrs. Howard A.
University of South Carolina

R

Read, Harold
University of Tennessee

[illegible]
The Woman's College of Georgia

Richmond, Robert E.
University of South Florida

Ritterskamp, J. J.
Vassar College

Robbins, Leslie H.
U. S. Office of Education

Roberts, Mr. and Mrs. Belford
Morris Harvey College

Robinson, F. L.
Little Rock University

Rodgers, Andrew C.
University of South Florida

Root, Mr. and Mrs. Trent
Southern Methodist University

Rossiter, Miss Jule C.
Armstrong State College

Ruschell, G. J.
University of Kentucky

Rust, Jerry H.
State Department of Education of Tennessee
Division of Higher Education

S

Sanders, James O.
Columbus College

Satterfield, S. P.
Oklahoma State University

Savage, John W.
University of Mississippi

Sawyer, John R.
Pan American College

Scheps, Dr. Clarence
Tulane University

Scott, Jere
Southern Methodist University

Searcy, A. L.
Knoxville College

Seese, Lyman G.
Madison College

Sexton, Tom
Oklahoma State Regents for Higher Education

Shane, Guy A.
TIAA-CREF

Shasteen, Richmond C.
Austin Peay State College

Shropshire, W.T.
Huston-Tillotson College

Shutt, Robert H.
Rice University

Skidmore, James M.
Montreat Anderson College

Sliz, Edmund P.
University of Tampa

Sloan, Albert R.
Carson-Newman College

Smalling, C. O.
University of Mississippi

Smith, Ann
Howard Payne College

Smith, Guerry R.
U. S. Public Health Service

Smith, Mr. and Mrs. Hugh
Delta State College

Smith, Lawrence L.
Abilene Christian College

[illegible]
North Carolina State College

Smith, N. Frank
Howard Payne College

Smith, R. Eugene
Memphis State University

Smithyman, Harold S.
Wofford College

Snavely, Guy
Del Mar College

Sneed, J. D.
Oklahoma College of Liberal Arts

Springfield, Mr. and Mrs. C.L.
Southwestern at Memphis

Stabler, L. C.
Troy State College

Staires, Mr. and Mrs. H. D.
The University of Tulsa

Stewart, Mr. and Mrs. J. L.
Austin College

Strickland, Don E.
Florida State University

Sugg, B. Alan
University of Arkansas

Swartz, Phillip R.
Co-ordinating Board, Texas
College and University System

T

Teamer, Charles C.
Dillard University

Thigpen, Arthur C.
Louisiana Polytechnic Institute

Thomas, Trevor
College Housing Division H.U.D.

Thompson, G. Byron
Transylvania University

Tisdale, William E.
Anderson College

True, Mr. and Mrs. E. C.
Southwestern University

U

Umbarger, James
University of Chattanooga

V

Vann, Mr. and Mrs. J. G.
North Carolina State
University — Emeritus

Vaughn, Silas M.
St. Andrews College

Vorsanger, Fred S.
American Council on Education

W

Wakefield, Robert W.
Troy State College

Walker, Charles R.
State Council of Higher Education for Virginia

Walston, Robert H.
Birmingham-Southern College

Wamsley, Jacob H.
Longwood College

Warming, Karl
Berea College

Watts, William P.
University of Alabama
Research Institute

Webb, J. Talmadge
Abraham Baldwin
Agricultural College

Whitaker, Travis
Stephen F. Austin State College

White, Mr. and Mrs. L. C.
Texas Christian University

White, Michael H.
Samford University

White, Orlando H.
Voorhees College

White, Mr. and Mrs. Russell E.
Transylvania College

Wile, Howard P.
Executive Director oi the Committee on Governmental Relations — NACUBO

Willard, Donald S.
TIAA—CREF

Williams, L. A.
Tuskegee Institute

Williams, Overton
Vanderbilt University

Wilson, Melford A.
Clemson University

Windsor, Alton E.
University of Mississippi
Medical Center

Wood, J. W.
Millsaps College

Woodward Edgar E.
Mary Washington College of
the University of Virginia

Wright, J. D.
North Carolina State University

Y

Young, Don B.
University of Alabama
Medical Center

Z

Zeiger, H. Evan
Samford University

CHARLES P. JONES
Certified Public Accountant
Telephone TU 7-5471
AUBURN, ALABAMA

March 26, 1966

Mr. J. E. Pomfret
Chairman, Audit Committee,
Southern Association of College
and University Business Officers,
University of Arkansas,
Fayetteville, Arkansas.

Dear Sir:

I have examined, in accordance with generally accepted auditing standards, the financial records of the Treasurer of your Association for the year ended March 15th, 1966.

Financial details for the 1965 Workshop on Federal Relations were handled by the University of Alabama Medical Center; those for the 1965 Convention by Duke University; and those for the 1966 Workshop on Federal Relations by Mercer University. These three institutions forwarded one check for the net excess of receipts over expenses in each case, together with supporting papers for the majority of the items shown in their respective reports.

Other cash items were supported in detail by a very complete system of properly supported vouchers. My examination included all tests considered to be necessary or desirable. Your Treasurer merits commendation for the high standards maintained.

The "Cash Balance" shown on the enclosed statement includes, on both starting and ending dates, a $5,000 Certificate of Deposit. A checking account in the First National Bank of Auburn, Auburn, Alabama, in the amount of $10,070.97, completes the ending balance of cash of hand.

In my opinion, the enclosed Statement of Cash Receipts and Disbursements presents fairly, and in conformity with generally accepted accounting principles, the cash transactions of The Southern Association of College and University Business Officers for the year ended March 15, 1966.

Respectfully submitted,

Charles P. Jones, CPA.

THE SOUTHERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
(For period March 16, 1966 - March 15, 1966)

RECEIPTS

1964-65 Dues	$ 85.00
1965-66 Dues	10,590.00
Income from 1965 Workshop on Federal Relations	144.54
1965 Convention Income	5,843.75
Interest of Certificate of Deposit to 12/11/65	200.00
Income from 1966 Workshop on Federal Relations	128.15
TOTAL RECEIPTS	$16,991.44

DISBURSEMENTS

National Federation Dues (295@ $15.00)		4,425.00
Travel:		
SACUBO EXECUTIVE MEETING October 17-18, 1965 in Dallas, Texas (Shasteen $109.79; Read $139.40; Bosch $180.20; Haywood $145.82; Freeman $49.32; Belcher $240.21; and Callahan $139.10)		1,003.84
College Business Manager's Institute July 25, 1965, at University of Kentucky (Belcher $73.48)		73.48
Audit of 1964-65 Records		75.00
Fidelity Bond Premium - Treasurer		12.00
Clerical Expenses		275.00
Scholarship Grants (4 @ $50.00)		200.00
SACUBO Grant to Management Institution		500.00
Miscellaneous Expenses of Secretary		74.20
Proceedings of 1965 Convention:		
Reporting	$ 545.24	
Printing (600 copies)	1,938.20	
Second Printing	40.55	2,523.99
Postage:		
Treasurer	30.00	
Secretary	125.12	155.12
Printing:		
Treasurer's Report	43.68	
Letterhead, onion skin, envelopes	112.32	
SACUBO Newsletters and Applications for Membership	28.45	
1965-66 Invoices	8.84	
Letter to go with Circular A-21	5.08	
Printing Preliminary Programs for 1966 Convention	113.23	311.60

Telephone:		
Past President		82.40
1965 Convention Expenses		5,405.28
	TOTAL DISBURSEMENTS	$15,116.91
RECONCILIATION		
Cash Balance, March 16, 1965	$13,196.44*	
ADD: Receipts for Period	16,991.44	$30,187.88
DEDUCT: Disbursements for Period		15,116.91
	CASH BALANCE March 15, 1966	$15,070.97

*Amounts shown include a $5,000.00 Certificate of Deposit

PROGRAM

HOST INSTITUTION:
Southern Methodist University
Dallas, Texas

President	V. Howard Belcher
First Vice-President	W. Clyde Freeman
Second Vice-President	J. F. Bosch, Jr.
Third Vice-President	William T. Haywood
Secretary	Luther C. Callahan
Treasurer	W. T. Ingram
Executive Committeeman	R. C. Shasteen
Executive Committeeman	W. Harold Read
Immediate Past President	Luther C. Callahan

COMMITTEE CHAIRMEN

Auditing	J. E. Pomfret	University of Arkansas
By-Laws	C. Wilbur Cissell	University of Maryland
Nominating	L. C. White	Texas Christian University
Resolutions	William E. Elmore	University of Florida
Program	W. Clyde Freeman	The Texas A&M University System
Professional Development	George R. Kavanaugh	University of Kentucky
Placement	Orie E. Meyers, Jr.	Emory University
Scholarship	A. Paul Nestor	University of Kentucky
Membership	J. F. Bosch	The Citadel
SACUBO News	Luther C. Callahan	University of Alabama

Representatives to the National Association of College and University Business Officers

E. E. Davidson	University of Mississippi
Clarence Scheps	Tulane University
Luther C. Callahan	University of Alabama

HOST COMMITTEE

Trent Root, Vice-President and Treasurer
Jay Osborne, Business Manager
Southern Methodist University

REGISTRATION FEE

Members	$30.00
Wives or Husbands	10.00

PROGRAM THEME

"CHALLENGE OF CHANGE"

Wednesday, April 6

3:00-6:30 P.M.—Registration (Mezzanine)

4:00-5:00 P.M.—Meeting of SACUBO Officers and Executive Committee (Bluebonnet Room)

6:30-7:30 P.M.—SOCIAL HOUR
7:30-9:30 P.M.—Buffet Dinner (Dallas Athletic Club)
Presiding—President Howard Belcher
Randolph-Macon Woman's College
Invocation—Roy McKnight
Baylor University
Greetings—President Belcher

Thursday, April 7

7:30 A.M.-Past Presidents' Breakfast
9:00 A.M. (Bluebonnet Room)

8:00 A.M.-Registration (Continued)
9:00 A.M. (Junior Ballroom)

9:00 A.M.-FIRST SESSION
12:00 Noon (Junior Ballroom)

9:00 A.M. Presiding—President V. Howard Belcher
Invocation—O. D. Kelley, Jr., Coker College
Introduction of Guests
Welcome—Willis M. Tate, President, Southern Methodist University
Speaker—H. B. Zachry, San Antonio, Texas

10:30 A.M.-COFFEE BREAK
11:00 A.M.

11:00 A.M. Presiding—W. T. Ingram, Auburn University
Speaker—Erik Jonsson, Mayor of Dallas, and President of Texas Instruments

12:15 Noon LUNCHEON (Embassy Room)

Presiding—Luther Callahan,
University of Alabama

Invocation—James Umbarger,
University of Chattanooga

Speaker—Ralph W. Steen, President,
Stephen F. Austin College

SECOND SESSION

2:00 P.M.-PANEL A (Embassy West)
3:00 P.M. (Construction Financing—Private Sources)
Moderator—Cecil White, T.C.U.
Hobby H. McCall, Attorney
Sam Maclin, Vice-President, Russ & Co.
Bob Kerley, University of Kentucky

OR

2:00 P.M.-PANEL B (Embassy East)
3:00 P.M. (College Store Operations)
Moderator—R. C. Shasteen,
Austin Peay State College
Reuben Friou,
Southern Methodist University
Marshall Pennington,
Texas Technological College
John Galbraith, University of Miami

3:00 P.M.-COFFEE BREAK
3:30 P.M.

3:30 P.M.-PANEL C (Embassy East)
4:30 P.M. (College Union Operations)
Moderator—William T. Haywood,
Mercer University
Charles Cosper, Louisiana State University
Frank Garner, Jr.,
Florida Presbyterian College
Jim Frye, University of Maryland

OR

3:30 P.M.-PANEL D (Embassy West)
4:30 P.M. (Construction Financing—Government Source)
Moderator—James E. Pomfret,
University of Arkansas
J. Trevor Thomas, College Housing Div.,
Dept. of Housing & Urban Development
Jay du Von, Division of College Facilities,
Dept. of Health, Education & Welfare
Dr. J. M. Leise, Division of Institutional Programs,
National Science Foundation

EVENING OPEN

Friday, April 8

THIRD SESSION

9:00 A.M.-PANEL E (Embassy East)
10:15 A.M. (Recruitment and Training of Business Management Personnel)
Moderator—Harold Read.
University of Tennessee
Bob Dennard,
University of Southern Florida
Fred Vorsanger,
American Council on Education

OR

9:00 A.M.-PANEL F (Embassy West)
10:15 A.M. (Physical Plant Planning and Maintenance)
Moderator—Fred Bosch, The Citadel
Horace Dryden, Dallas, Texas
J. McCree Smith, North Carolina State
C. O. Smalling,
University of Southern Mississippi

10:15 A.M.-COFFEE BREAK
10:45 A.M.

10:45 A.M.-Presiding—W. C. Freeman, The Texas A&M
12:00 A.M. University System
Speakers—Dr. Jesse Hobson, Executive Director TAGER
Dr. John C. Calhoun, The Texas A&M University System

12:00 Noon LUNCHEON
ON YOUR OWN

FRIDAY AFTERNOON

2:00 P.M.-WASHINGTON HOUR (Embassy Room)
3:00 P.M. Presiding—Clarence Scheps,
Tulane University
Speakers—James F. Kelley, Comptroller
Dept. of Health, Education and Welfare
Arron Rosenthal, Comptroller,
National Science Foundation
Fred S. Vorsanger, Treasurer and Business
Manager, American Council on Education
Howard P. Wile, Executive Director,
Committee on Governmental Relations

3:00 P.M.-ANNUAL BUSINESS MEETING
4:00 P.M. (Embassy Room)
Presiding—President V. Howard Belcher
Committee Reports
Other Business
Election of Officers

7:00 P.M. ANNUAL BANQUET (Embassy Room)
Presiding—President V. Howard Belcher
Invocation—R.C. Shasteen, Austin Peay State College
Speaker—Walter Zaney Blaney

INTRODUCTION OF NEW OFFICERS

LADIES PROGRAM

* * *

Wednesday, April 6

6:30 P.M.-Social Hour—Men and Women
7:30 P.M.

7:30 P.M.-Buffet
9:30 P.M.

Thursday, April 7

10:00 A.M.	Leave hotel for Sightseeing Tour, including Apparel Mart (Tour and Lunch)
1:30 P.M.	S.M.U. Campus—Fine Arts Center
2:30 P.M.	Tour North Park Shopping Center—Optional
4:00 P.M.	Return to Hotel

Friday, April 8

11:30 A.M.	Luncheon and Style Show in Zodiac Room Neiman-Marcus
7:00 P.M.	Banquet

THURSDAY MORNING SESSION

April 7-8, 1966

The Thirty-Eighth Annual Meeting of the Southern Association of College and University Business Officers convened in the Junior Ballroom of the Statler-Hilton Hotel, Dallas, Texas, Thursday morning, April 7, 1966, and was called to order at 9:05 o'clock a.m. by President V. Howard Belcher.

PRESIDENT V. HOWARD BELCHER: Good morning, ladies and gentlemen. Instead of saying we are running right on time, we are purposely running just a little bit late, waiting on our speaker this morning, and we believe the schedule now will coincide with his arrival.

May we pause a moment and have Mr. O. D. Kelley, Jr., business manager of Coker College in Hartsville, South Carolina, give our invocation.

MR. O. D. KELLEY, JR.: Let us pray.

Our Heavenly Father, we express our gratitude for every manifestation of Thy love and mercy. For the privilege of assembling ourselves together in this convention we are especially grateful now. We pray for grace and direction so that Thy will may be accomplished.

Grant that because of this convention, and our attendance upon it, each of us shall be able to discharge more efficiently and effectively the duties in our respective places of service; may our thoughts and actions be motivated by the good and noble so that we will have mature conduct an wise decisions as the vehicles of our performance.

Inspire us to a renewed sense of dedication which will result i progressive adjustment to an evolving society and a deeper persona satisfaction.

For this great nation of which we are a part we thank Thee. May all o us be cognizant of our responsibilities as citizens to work for the preservation of liberty and freedom. Grant Thy blessings upon its leadership, an may the decisions made which affect our direction and destiny be grounde upon an unwavering faith in God.

We thank Thee for those who give so generously of their time an effort in the leadership of this organization, and we ask for Thy specia blessing upon them during these days.

All of these favors we pray for in the name of Christ, Amen.

PRESIDENT BELCHER: I guess this is our official opening of th 48th annual conference or annual meeting of the Southern Association

College and University Business Officers. We have had this year a number of additions to our membership, and I'd like at this time to have all stand that are attending our convention for the first time. Will you please rise?

We are certainly glad to have you here today. We hope that you will actively participate in the proceedings and contribute in many ways in sharing your experiences, and we hope that you will gain from your attendance here from experiences of others.

We also have a special group of individuals representing some of the associations, representing some of the government agencies, and as I call your name, if you will please stand, and if the audience will hold their applause and give all a hand at the end.

Mr. Bert C. Ahrens, National Association of Educational Buyers. Bert, it is good to have you with us today.

Mr. Jim J. Ritterskamp, Jr., president of the Central Association of College and University Business Officers. Jim is way in the back. Jim, I am not sure whether I should say of late Chicago or early Vassar. Anyway, Jim is going to Vassar College. We wish you well there, Jim.

Mr. William Price of E & I Coop. Bill, it is nice to have you here.

Fred Vorsanger. Fred is in the back. It is good always to have you.

Don Willard, vice-president of the TIAA. Don, it is nice to have you with us.

Mr. Harold Cotton, manager, Southeastern Office of the E & I. Harold in the middle there.

Mr. Guy Shane of TIAA.

Mr. Gerald Ramsey of the National Association of College and University Food Service right here at SMU. I guess he is busy out there today.

Mr. Reuben R. Friou, the president of the National Association of College Stores. He is also busy this morning.

Mr. Orie Meyers, one of our own, representing also College and University Personnel Association. Orie, nice to have you represent them.

J. McCree Smith, president, National Association of Physical Plant Administrators of Universities and Colleges. Mac is oversleeping this morning. He will be here though since he is on the program.

Mr. Morris Ullman, Bureau of the Budget.

And Mr. Paul K. Nance, specialist for Business Administration, HEW. Paul, nice to have you.

Mr. Edward W. Hilton, National Science Foundation. Mr. Hilton.

Paul Nestor, president of the National Association of Educational Buyers. Paul, it is good to have you representing that group.

I am not sure whether Clarence Scheps has arrived. He wired that he would be a little late. He may not be here yet, but we want to recognize Clarence as president of the National Association.

Guerry R. Smith, Chief, Grants Management Branch, National Institutes of Health. He will be arriving a little later.

Howard P. Wile, Executive Director, Committee on Governmental Relations for the National Association. Well, Howard, we are hoping, will be here since he is also on the program too.

Mr. Leslie F. Robbins, College Programs, United States Office of Education, in the back. Nice to have you, Mr. Robbins.

Mr. Trevor Thomas, College Housing Division, Department of Housing and Urban Development.

Mr. Jay du Von, Division of College Facilities, Department of Health, Education and Welfare. Jay.

Clyde, I hope these boys are going to be here for certain later anyway.

Dr. J. M. Leise, Division of Institutional Programs, National Science Foundation.

They are probably coming together since they are on the same panel.

Now, let's all give these folks a nice round of applause.

It is always nice to have visitors attending our meetings. This morning we are pleased and happy to have Dr. Willis M. Tate, president of Southern Methodist University, to give us a word of welcome. I'd like to mention just a few things concerning Dr. Tate.

Willis McDonald Tate became president of Southern Methodist University May 6, 1954. He was born in Denver, Colorado, May 18, 1911. Most of his boyhood was spent in San Antonio, Texas, where he was graduated from the old Main Avenue High School. He is an alumnus of SMU, taking the degree of Bachelor of Arts in 1932 and his Master of Arts, in sociology, in 1935.

Dr. Tate has done additional graduate work at the University of Texas and the University of Chicago. He holds honorary degrees from Texas Wesleyan College, Centenary College, the University of Denver, Oklahoma City University and the University of Tulsa.

He was a member of SMU's Southwest Conference championship football team of 1931. He was an all-conference tackle that year and received honorable mention for All-American.

After graduation from SMU, Dr. Tate entered the teaching profession. Early in this career he was principal of the Alamo Heights Elementary and Junior High Schools in San Antonio.

In April, 1943, he went to Houston, Texas to become executive assistant to the pastor of the First Methodist Church.

In September, 1945, Dr. Tate joined the SMU staff as assistant dean of students. July 1, 1948, he was appointed dean of students, and November 15, 1950, he was made vice-president in charge of development and public relations.

He was elected fifth president of SMU, by unanimous vote of the university's Board of Trustees, May 6, 1954, to succeed Dr. Umphrey Lee; Dr. Tate assumed the responsibilities of office on that date, and formal inauguration was held May 5, 1955.

Dr. Tate has long been active in church and public affairs and holds membership in numerous social and professional organizations. He is chairman of the Council of Protestant Colleges and Universities, past president of the Texas Association of Colleges and Universities, past chairman of the Inter-University Council of the Dallas and Fort Worth Metropolitan Areas and vice-president of the University Senate of the Methodist Church. He served as president of the Southern University Conference for 1962-63, and was a member of the Governor's Committee on Education Beyond the High School.

In 1932 Willis M. Tate married an SMU classmate — Joel Estes, of Cleburne, Texas. They have two children: a son, Willis, Jr., of Dallas, and a daughter, Mrs. John Withers, of Dallas. They have three grandchildren, John, Angela, and Joel Elaine Withers. Dr. Tate is a brother of the Reverend Robert S. Tate, Jr., pastor of the First Methodist Church in Austin, and of Mr. James F. Tate, of St. Louis, Missouri.

We are very happy to have you this morning, Dr. Tate. And Dr. Tate will also introduce to us Mr. Zachry, our speaker of the morning.

DR. WILLIS M. TATE: It is my pleasure to welcome you to Dallas, to this region and the Southern Methodist University. We are very proud to be your hosts. We have been looking forward to your coming.

As you well know, education became a very, very important matter in the United States about the time that Sputnik was launched. There was almost hysteria in the country when we were shocked into the realization that all the brainpower and all the research was not being done here, that we were not just automatically the leaders of everything in the world.

Immediately we became frightened. Immediately education came into focus because it dawned upon people then that education was the solution for the problems that we face, that the cold war was really being fought in the classrooms and in the laboratories of this country.

Everybody became an expert in education about that time. The great pressures that we have been feeling in recent years in educational institutions were upon us. I had people come to me and say, "Why don't you make speeches about this? This is important." I said, "Friend, I have never made any other kind in my life, but this is the first time we educators can get anybody to listen to us."

Certainly education is the Aladdin's lamp for our world and for our country, and for individuals, because both individually and collectively, it has the power to fulfill our greatest dreams.

But while everybody is excited about education, very few people have come to realize the actual cost that is involved in ~~producing the kind~~ of education that all of us know is necessary.

This, of course, is where you sit. I know that you are the unsung heroes of the educational movement, and I know that you sit in a very lonely spot, because you are the people who have to say no.

When we get down to the fundamentals of all the problems we have in higher education, as you well know, they have a fiscal base. The public does not understand this.

Certainly most of the faculty is very naive about this point. The students are not aware of the high cost of their own educational experience.

But there is one person on the college campus who does understand this, and that is your president. He may not pat you on the back all the time, and he may not boost you. In fact, he may use you as the crying boy. But he has come to a great appreciation of you as a partner in utilizing the facilities and the resources and the fiscal abilities of the colleges to stretch them, to get the ultimate amount of good from them.

I want to express to you on behalf of all the presidents our appreciation for you and what you mean.

I want to commend your Program Committee. You are very fortunate in securing Pat Zachry to be your kickoff speaker. Pat has long been one of the men whom I admire most and for whom I have great affection.

I know of no more knowledgeable and dedicated and concerned layman in the field of education than Pat Zachry. He is knowledgeable; he is concerned; he has a wealth of wisdom; and he's brought his genius of organization and commitment to this great field in a way that is more helpful to this state and the educational process than perhaps any other man who is not in education or public life.

He was graduated from Texas A&M University in 1922. He organized his own company, the H.B. Zachry Company, a world- renowned contracting firm. It has had phenomenal growth and has now broadened its operations to include operations in the Pacific area, Thailand, South America and Spain.

He has affiliated companies in ranching, oil and gas operations, real estate and in insurance, in the production and manufacture of cement.

He has been very generous not only with his time and his interests and himself, but also with his money. He is a member of the Board of Governors of the Southwest Research Institute. He is a member of the Board of Directors of the Federal Reserve Bank of Dallas. He is a director and a member of the Executive Committee of the Texas Good Roads Association. He is a member of the Texas Research League. He is a past national president of the Associated General Contractors of America. He is chairman of the Board of the exciting new HemisFair of San Antonio for 1968.

But his chief love and concern is in the field of education. For six years he was a member of the Board of Directors of Texas A&M, and he served as president for two years of that governing body. He has served on the State Board for Special Schools and Hospitals, and he was on the Board of Directors for Alamo Heights Independent School District.

He has worked with various special committees of various institutions. He served on SMU's Committee of Fifty during our Master Plan time, but perhaps his most outstanding contribution was as chairman of the Committee for Education Beyond the High School for the State of Texas, appointed by Governor Connally.

Governor Connally made his first order of business when he became governor a challenge to bring the higher education of Texas into the foreground. And Legislative Bill Number 1 was a bill that created a governor's committee of 25 people.

This was a very distinguished committee. One of the interesting things about it was that two men were appointed on this committee to represent private institutions. President McCall of Baylor and I were asked to serve on this committee to be sure that it represented the public and private.

As far as I know, Pat, this is the first time in the history of any state where any coordinated planning had been made possible with public and private institutions so that a total program of higher education could be made for this state. It was a great inspiration to me sitting under the chairmanship of this man.

He had to work with a bunch of some prima donnas and some very wonderful people. All of us had our own ideas and obsessions. All of us went down blind alleys. Pat would bring us back and would hold our feet to the fire and challenge us to our task.

As you know, in Texas, recommendations of this committee led to the establishment of a Coordinating Council, a Board that would try to solve the long-time problems of higher education for Texas.

It is with a great deal of personal privilege that I present my very good friend, Pat Zachry, who will speak to you.

MR. H. B. ZACHRY: It certainly is with a fear and trembling that I approach the podium to answer an introduction so wonderful as that. What a man is speaks out so loud usually you do not necessarily hear what he says. But when that man is Willis Tate and all that he stands for, the fact that he would introduce you, besides all the fine things that he had to say, makes me humble indeed.

I think it would be strictly in order for me to say nothing. Certainly, all I can do is add less to the luster that he gave to me. I want you to know that that respect is mutual, and it would be my desire in my life to make it that which would be thoroughly acceptable in his sight.

I further very much want to say that I am here because Clyde Freeman asked me to be, and any time, any place, that Clyde calls for me to be present, I will be there somehow, someway.

For six years that I served on the Board for A&M, my association with nim was such that a respect for his ability sprang up, and I will always hope to help him in every possible endeavor.

The theme of your meeting is "The Challenge of Change," What is change? What produces it? And of what force and strength must challenge be that it may grapple with change?

Last week I wrote to the President of the United States, just as you and all men like you should from time to time. You can certainly bet that the minority groups with special interests write many, many times. My letter was:

> My dear Mr. President; We must win in Vietnam. We must be strong economically; there must be no compromise,

I know of no more knowledgeable and dedicated and concerned layman in the field of education than Pat Zachry. He is knowledgeable; he is concerned; he has a wealth of wisdom; and he's brought his genius of organization and commitment to this great field in a way that is more helpful to this state and the educational process than perhaps any other man who is not in education or public life.

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no varying from plain self-evident truths; a proof all the world can see and recognize-that is, military victory, rebuilding management ability, a will to sacrifice everything adversely affecting our economic strength.

The United States has a strong President — the only one in many decades. He has said many times, "I am an American first." Through you this nation must have a rebirth of those qualities that made it great, a moving away from many principles essentially espoused by liberals and labor which lead only to socialism and to our nation's setting sun.

I have just returned from bidding on a dam in Turkey and visiting our bomber base project in Thailand (as you expect, it will be operational on schedule date). In this travel I encircled the earth.

At Istanbul, on the Bosporus' banks, I saw through my history books the parade of nations — their rise and fall, the reasons therefor. I looked at India, its past, its present, its weaknesses — economical, political. I saw Southeast Asia; looked across the border into China; reviewed their past and present (a crowded land, mingled faiths and philosophies, under Communist rule); thought of Taiwan, its relation to present situation and to our original failure to support Chiang. I then saw Japan, a nation in the balance.

I plainly saw the future of the United States riding on our action in Vietnam. I wondered what would be the world's position if Turkey joined Russia, if Japan joined with China. What will assure it prevention? Only a clear-cut military victory, a strong foreign policy, an economy strongly based and oriented, all directed by a man of force and courage, a statesman. Please, Mr. President, just be you.

You have my utmost respect and my highest personal regard.

Entwined with the history of the rise and fall of nations, the wars between nations, were the many revolutions within individual nations themselves, even affecting their own particular rise or fall. Everywhere we see these movements today, these mass movements, their beginning, their middle age, their end.

Vividly in the United States are seen many movements involving change. Where will they go? Should we and how will we challenge them?

Let us, therefore, examine briefly the anatomy of change. Apply it to the inner workings of these mass movements. There is a fundamental difference between the appeal of a mass movement and the appeal of a practical organization.

The practical organization offers opportunity for self-advancement, and its appeal is mainly to self-interest. On the other hand, a mass movement — particularly in its active revolutionist phase — appeals not to those intent on bolstering and advancing a cherished self, but to those who crave to be rid of an unwanted self. A mass movement attracts and holds a following not because it can satisfy the desire for self-advancement, but because it can satisfy the passion for self-renunciation.

The frustrated, who see their lives as irremediably spoiled, cannot find a worthwhile purpose in self- advancement. Comforts and pleasures cannot make it whole. No content nor comfort can ever arise in their minds but from hope.

One of the most potent attractions of a mass movement is the offering of a substitute for individual hope. This attraction is particularly effective in a society embued with the idea of progress.

Every established mass movement has its distinct hope — its brand of dope to dull the impatience of the masses and reconcile them with their lot in life. In other words, Stalinism was as much an opium of the people as are the established religions.

Those who see their lives as spoiled and wasted crave equality and fraternity more than they do freedom. Where freedom is real, equality is the passion of the masses. Where equality is real, freedom is the passion of a small minority. Equality without freedom therefore creates a more stable social pattern than does freedom without equality.

Discontent by itself does not invariably create a desire for change. Those awed by their surroundings do not think of change, no matter how miserable their condition. It is a dangerous life we live when hunger and cold are at our heels. There is then a conservatism of the destitute as profound as the conservatism of the privileged.

And not all who are poor are frustrated. Sometimes the poor, stagnating in the slums of cities, are smug in their decay. They shudder at life outside their familiar cesspool. Even the respectable poor, when their poverty is of long standing, remain inert.

Misery does not automatically generate discontent, nor is the intensity of discontent directly proportionate to the degree of misery. When the people toil from sunrise to sunset for a bare living, they nurse no grievances and dream no dream.

Slaves are poor, yet when slavery is widespread and long established there is little likelihood of the rising of a mass movement. The absolute equality among the slaves and the intimate communal life in slave quarters precludes individual frustrations.

So those who would transform a nation or world cannot do so by breeding and captioning discontent, or by demonstrating the reasonableness and desirability of the intended change, or by coercing people into a new way of life. They must know how to kindle and fan an extravagant hope.

It matters not whether it be hope of a heavenly kingdom, of heaven on earth, of plunder and untold riches, of fabulous achievements, or world dominion. If the Communists win Europe and a large part of the world, it will not be because they know how to stir up discontent, or how to infect people with hatred, but because they know how to preach hope.

And there are other factors that contribute to the participation or nonparticipation of the various layers of society in mass movements. For example, fear of the future causes us to lean against and cling to the present, while faith in the future renders us receptive to change. Both the rich and the poor, the strong and the weak, they who have achieved much or little, can be afraid of the future.

When the present seems so perfect that the most we can expect or hope for is its continuation into the future, change can only mean deterioration; hence men of outstanding achievements and those who live full, happy lives, usually set their faces against drastic innovation.

Perhaps this explains why universities have essentially kept within their ivory towers, thrown up all possible bulwarks against change under the guise of teacher tenure, academic freedom, et cetera.

And as for the hopeful, it does not make any difference who it is that is seized with a wild hope. Whether it be an enthusiastic intellectual, a land-hungry farmer, a get-rich-quick speculator, a sober merchant or industrialist, a plain working man, or a noble lord, they all proceed recklessly with the present, wreck it if necessary and create a new world. There can thus be revolutions by the privileged as well as by the underprivileged.

When hopes and dreams are loose in the streets it is well for the timid to lock doors, shutters, windows, and lie low until the wrath has passed; for there is often a monstrous incongruity between the hopes, however noble and tender, and the action which follows them. It is as if ivied maidens and garlanded youths were to herald the Four Horsemen of the Apocalypse.

From the above causes, we have four types of movements — religious, revolutionary, nationalism, and practical organization or self-advancement. I will not try to review these. The more potent currently seems to be that of nationalism, and judging by present indications the renaissance of Asia will be brought about through the instrumentality of nationalist movement rather than by other mediums.

The contributions of the Western democracies to the awakening of the East has been indirect and certainly not intended. They have kindled an enthusiasm of resentment against the West, and this fervor is presently rousing the Orient from its stagnation of centuries and could bode ill for the United States should our strength weaken, hence my letter to the President.

Let us turn from mass movements to practical organization. Our interests here at home are essentially in self-advancement, at least we hope so. We get a glimpse of civil rights, antipoverty, liberals-labor uniting, in a political mass movement that could dominate these United States by sheer number of votes alone.

It is all the more necessary that we turn to our educational institutions with the hope they may challenge a mass movement with the creative force of self-advancement. It is hoped that from within education as an institution there will be caused a rebirth of interest in moral character.

If it be that the Berkeley movement stemmed from the loss of soul and thus inner strength, if these brilliant young people in their exercise of total freedom found their lives irremediably spoiled and wasted and were seeking a way to be rid of unwanted self, to satisfy a passion for self-renunciation — we have a mess to straighten out. What a challenge for a change.

So plainly we can show the enormous potentiality in self-advancement. We had the industrial revolution which has meant so much to the economy of our state, and made possible the standard of living we now enjoy. This has been built on volume production. Its chief components have been land, water, oil, gas, minerals and capital improvements.

We are now fast moving from the industrial revolution into a knowledge revolution. The principal markets will be from technological improvements, not volume production. Its chief catalyst will be ideas, not natural resources. Its buildings will be universities, not factories. Yes, we are fast moving from a society based on material resources to one based on human resources, and presently we seem lost and wandering.

Learning, education, should stand out clear and bright, point the way that this great nation should go that it may maintain its proper place in the sun. And this brings us to the present status of education beyond the high school in Texas.

A capable, courageous governor has made possible a great opportunity. A Coordinating Board has been legally established to lead it. We are moving cautiously, but worthily, I believe. Some of my personal thoughts are as follows:

In a few short years, as I now reckon time, ours will be a billion dollar industry. To administer it this Board must, in all Texas tradition, be intelligent, hard, strong, courageous.

We are moving into projection and decision making. Our job is to plan our work, work our plan. It is not to compute all needs, express them in dollars, hand it to the legislature, tell them to appropriate it, or assume responsibility for the failure of the program. We must ascertain the needs, then seek all means through science, industry and superior management to resolve them within the economic and political concepts of our state.

Building Funds. Space Requirement. Immediately we should set up a research project (university-private industry joint venture) on space per student requirement for different degrees. At same time research the degrees offered — one-half at least could be eliminated.

Research industry and professional needs for next ten years; weigh courses offered accordingly. Figure trimester, day and night classes. Consider all available and planned technological aids. Role and scope will be heavily influenced thereby.

On January 17 at our meeting, we projected that the funds that will be available for building in the state system for the next ten years are:

1. Constitutional Tax, $173,000,000.
2. Federal Grant, $35,000,000.
3. University Funds (in which Texas University and A&M secure their building money, provided these funds are only used for buildings) $100,000,000.

So that is $308,000,000 that will be available for building in the Texas system of universities and colleges during the next ten years.

The aforementioned figures and sources are vital for role and scope determination. Within itself, building design, for use, care and maintenance, and initial cost, is very important. Basic interior designs, construction materials (all but exterior variance), electrical and mechanical needs, expansion increments, can be standardized for all institutions.

Give consideration to central air-conditioning and heating unit for entire campus, privately owned and operated. This will release funds for additional buildings and cut maintenance. And by following all these factors, we can save from a building and maintenance program at least 20 percent of the programed amount which can be available to go back into the use for which our universities and colleges are created, teaching.

So we suggest a research project for this university, plus private architectural firms, plus two or more building firms and manufacturers in a joint venture to try to coordinate all these possibilities and come up with these standards which, of course, we would gladly make available to all of you.

Then the private schools. We must know their contemplated enrollment. We must know their contemplated role and scope, the building programs that they project, so that we may properly include them fully in our planning the same as if they were part of our state system. We must leave nothing undone to build education in Texas into its finest and most efficient form.

Faculty Salaries. The budget increment caused by projected enrollment increase is fixed, except for operating efficiencies. These are relatively small. The total base salary increase should be shown to reflect other than raising the cost of mediocrity.

The element of enrichment, second-to-none equivalent, must also be set out and fought for. This is not just the "lifting out" of a few special courses and so designating them.

It is the creation of a single Ph. D. complex, probably having the Masters and Ph. D. degrees in one institution, the undergraduate work placed in several institutions. It is the selecting for each class, for each department, as good as there is; choosing on merit, first from all Texas and then from out of state; paying salaries second to none, providing no tenure beyond budgeted rate (for unenriched) that is, their tenure is based on their unenriched programs before these enriched top qualities second-to-none programs.

And I say again, this is my thought, that there would be no tenure involved in that. Teacher training, upgrading to meet merit requirement, must be initiated to provide staff for the additional Ph. D. complexes of excellence.

Libraries. Present libraries and methods of operation are essentially obsolete. New knowledge increase, old knowledge obsolescence, are moving at ten per cent per year rate, particularly in science and engineering. The number of books will double in the next ten years.

Therefore, the institution library must connect with a central library, with equipment to store and withdraw; it to connect with other central libraries by microwave or other electronic devices. Hold back new buildings until research study is complete. Set up this research program in university or college, requiring private industry company as partner.

Administrative. Under present Coordinating Board and its assignment of role and scope, there should be less institutional isolation, more cooperation, sharing of facilities. Certainly the adaptation of all industry known methods and techniques offers increased efficiency, lessened cost.

Means must be set up to permit you to continue your learning of new methods in the business field. A&M University, SMU, offer special courses to businessmen. We must do likewise for our businessmen of our universities and our colleges, that they may be abreast of all the developments that we have in the business world, and therefore bring them in to their own and to all of our institutions.

We should assign a research project to one of our universities, requiring an industry partner, for example, one similar to Ernst and Ernst, Booz-Allen-Hamilton, so that we may constantly revitalize our efforts in the administrative end of our colleges and universities, that very vital and important arm of watching and challenging and making more efficient the expenditure of all funds.

Research. One of the most important facets of higher education plan. The industries of Texas surely have combined annual research expenditures of far over 100 million dollars. These can all be made part of our university system.

As an example, my company offers its entire facility, research, office, field, for coordination with a university, taking care of all additional expense of student and faculty while away from campus. Our reward will be in the opportunity to preview good talent and, of course, to contribute to education. Southwest Research Institute of San Antonio is also available.

Through close planning and cooperation, Texas can quickly have a sizable and efficient research program. So is there any reason why our cooperation cannot be extended to all the colleges in the Southern Association, to all the colleges and universities in the United States, because our problem is one, and that is to benefit and maintain strong this great nation of ours.

We must join together to compete, to challenge, so many of these mass movements who have as their objective the undermining, the doing away with our own institutions, our own nation.

So it is my hope that I have brought you a challenge for a challenge of change. I hope you will never say "If I were president of the university I would do something. If I were chairman of the Board, or if I were governor of the state, I would really go to work for this and other projects."

Just go to work as you are. You will be surprised at what you can do. After all, the greatest need of our time, as of all other time, is not leadership or planning or scientific discovery so much as it is the realization that the salvation of the world must come from the same place as does meaning for our lives, that is, from our own hearts and minds, and in the little deeds of ordinary men like you and me, in being humble, working hard, thinking reasonably, and helping our fellow man.

And if it is doubtful that this world can be changed by the little deeds of the ordinary men, it is certain that it cannot be changed without it. For even the Communists know that the average words and the average acts of the average man are like the insignificant little atoms which together constitute the universe, but when alone and broken, can destroy it.

"I am looking for a man," said Diogenes. And we must find him in our own hearts and in our own minds. Let him promise no miracles, let him seek no paradise, let him stand or fall on the true and tried premise, "I will do the very best I can. I will challenge change."

PRESIDENT BELCHER: Mr. Zachry, I think the applause speaks for itself in our sincere appreciation for those stimulating and challenging words. It was an outstanding message. Texas is certainly fortunate in having men of your vision and stature in aiding in the support of education. Texas is to be commended. I am sure that in other states as we find men of such vision and interest, the field of education will be greatly improved. We thank you for giving of your time in bringing us this message.

Dr. Tate, we sincerely appreciate your being here and extending us the gracious word of welcome. We have even last evening, I think, entered upon a feeling of being at home. Your other fellow workers from your institution have certainly done everything that seems possible to make us feel that way, and it is always good to be in Texas.

At this time, I'd like for you to indulge me in giving a few words concerning the activity of your Association since the last meeting.

As usual, we have had two Executive Committee meetings to carry on the business of our Association. One is usually held in the fall, and then the other is held just prior to the opening of this annual session.

One of the activities that has been reported on before which I know you have interest in, is the joint effort of our Association and that of the Southern Association of Colleges and Schools, a project in an effort to upgrade college business management programs, especially in the small institutions.

Four regional workshops were held last spring and last summer. One was held here in Dallas, also in Atlanta, Memphis and Durham. These workshops were well attended and we have had many favorable comments concerning their value.

You may recall in receiving announcements and messages concerning this type of workshop, it was requested that the president of the institution, the dean, the business officer and at least one trustee attend as a unit. This program was under the leadership of Harold Read and he did a mammoth job in carrying through in each of these regional meetings. There were more than 800 in number attending the four meetings.

A special word should be said concerning the annual workshop on federal relations. It was held in Atlanta back in January with Emory University and Georgia Tech serving as hosts. Bill Hayward has been in charge of this program and he did an excellent job to bring together a program of tremendous importance and need.

The attendance has been increasing each year. It also was increased this year, with something over 150 attending. Your president represented your Association at the annual meeting of the Eastern Association held in December in Washington, D. C., and also attended the National Association last July held in Chicago.

Your Association was also represented by your president at the Kentucky Business Management Institute, and I believe there were something over a hundred attending that program for a week in the latter part of July. SACUBO has continued to support this Institute with scholarship aid and with also a direct grant.

With the change in the bylaws providing for the addition of all qualified institutions to membership in SACUBO, provided such institutions are accredited by the appropriate regional accrediting association, the Membership Committee, under the leadership of Fred Bosch, have set a new record in obtaining new members. A more complete report will be given by the chairman of the committee in the business session.

Also, we should mention the regional workshop on the revision of Circular A-21, Costing Principles of Federally Sponsored Research Projects, which was held in Atlanta on June 21, sponsored jointly by SACUBO and the Committee on Governmental Relations.

There again, Georgia Tech acted as hosts with Harry Baker serving as chairman. Some 85 members attended this workshop.

I'd like to express a sincere word of appreciation and thanks to the officers, Executive Committee, individuals on the committees, to the entire membership of the Association, for their splendid cooperation that they have given to me during this past year. It has been a pleasure and a privilege to serve as your president this year.

We are now back reasonably well on schedule. And I should have said at the very beginning, that the reason of the delay in starting was not any fault of Mr. Zachry not being able to plan to be here, but it was as Dr. Tate said, motor trouble with the plane, and he got here pretty well on time anyway.

We now will have our coffee break. But first, I'd like to ask Trent Root or Jay Osborne if there are any announcements that should be made at this time. I don't believe we hear of any right now. We will have a coffee break and we will reassemble at 11:00. Just one moment. Was there anything else, Jay?

MR. JAY OSBORNE: Coffee is just perking.

PRESIDENT BELCHER: Coffee is perking. We will be back at 11:00 o'clock.

(Recess was taken from 10:20 to 11:00 o'clock a.m.)

TREASURER W. T. INGRAM: Ladies and gentlemen, I believe it is about time for us to start our second session. And before we do, I have three announcements to make, please.

Mr. Les Robbins of the United States Office of Education, formerly with the University of Colorado, will be available on Thursday for consultation with regard to Title III of the Higher Education Act of 1965, which provides assistance to developing colleges.

Any college or university represented here that is contemplating applying for assistance, Les would be glad to learn what type or types of assistance are needed which might be available under this Title. If you bear that in mind, he will be available.

The Professional Development Committee, T. N. Hinton, Ted Bergman and Bruce Heilman, has been asked by George Kavanaugh to meet in the front of this room immediately after this meeting.

Also, the Presbyterian College breakfast will be held Friday morning at 8:00 a.m. in the Blue Bonnet Room in this hotel. All Presbyterian College business officers are invited.

I hope we are all about finished with our coffee break. I would like now to introduce our speaker for this second session this morning.

In February 1964 Erik Jonsson was elected by the City Council of Dallas to fulfill the unexpired term occasioned by the resignation of Mr. Earle Cabell. Subsequently he was elected by the citizens of Dallas to serve a two-year term ending May 1, 1967.

Mr. Jonsson is chairman of the Board of Directors of Texas Instruments, Inc., a technologically based company with headquarters in Dallas and one of the 200 largest industrial organizations in the United States. He joined the company in 1930 as superintendent of the laboratories.

A resident of Dallas since 1934, when company operations were moved to this city, Mr. Jonsson has served successively in various managerial positions, including as president from 1951 to 1958 when he was elected chairman of the Board, a position which he still holds. He also is a director of the Equitable Life Assurance Society of the United States, Republic National Bank of Dallas, Neiman-Marcus Company and Braniff International Airways.

In the educational field, Mr. Jonsson is a member and vice-chairman of the Board of Trustees of Rensselaer Polytechnic Institute, Skidmore

College, the Council for Financial Aid to Education, Educational Facilities Laboratories and Hockaday School, Board chairman 1954-1964.

He is chairman of the Board of the Graduate Research Center of the Southwest. Through Visiting Committee and Board of Visitors appointments, he also is affiliated with Harvard University, Massachusetts Institute of Technology and Tulane University.

He was a member of the 25-man Committee on Education Beyond the High School which was appointed by Governor John Connally a year ago and which completed its work in August, 1964.

He holds an M.E. degree from Rensselaer Polytechnic Institute and honorary degrees from RPI, Hobart and William Smith Colleges, Austin College and Southern Methodist University.

It is a real pleasure for me to introduce Mr. Erik Jonsson.

MR. ERIK JONSSON: Thank you very much, Mr. Chairman. Ladies and gentlemen, I have no speech for you today, but perhaps a few observations from the juxtaposition of some 44 years of business experience and 15 or so years of avocational involvement in the educational field will produce something useful to you.

So far as the avocation is concerned, I set out just to put a toe in the water but soon learned the folly of this: There is so darn much to be done in your field — interesting, exciting and really challenging things — that there is no way to get into it part way. You run on a wide open basis unable to do nearly as much as you'd like to do, constantly dissatisfied with the net accomplishment and wanting to find the mechanism or the means to do more.

Many of you, I know, represent very large institutions; others rather small ones. Some of your institutions are forced to deal in an expansive way with the population explosion while others work with small number in rather narrow fields. All your institutions, whatever their size and kind, have some standard set, some eye to excellence, and your accomplishments have been both admirable and remarkable.

I assume my role today, however, should be in part that of the devil's advocate and to suggest for your consideration some ways you might be better able to meet the constantly expanding challenge and better achieve your standards of excellence, whatever they may be.

Fortunately, my business has called for large amounts of travel. It still does, and this gives me the opportunity to be exposed to many kinds of institutions in many parts of the country. One of the most glaring lacks I see in most of our educational institutions, both public and private and regardless of size, is that they are built without master plans and without warmth and beauty which can be had for little, if any, extra cost.

Our campuses in general have been permitted to grow like Topsy. In fact, I can think of only one, now reasonably mature as to size, which was designed by a single architect with a plan that's been adhered to from the beginning, somewhere around the early part of the century. This is Purdue, a big institution. It is a rare gem in the sense that to make it possible to get something done more quickly and easily, its buildings are related by function in their location to one another. It is, however, far from being a thing of beauty; some refer to its architecture as "early 20th century penitentiary." This suggests to me that even though all too seldom there is too little to do all that our educational institutions must, the "pinching" is done on the very things that would make them more attractive to people who could give funds that would stretch the limited budgets.

Let me illustrate: One day the president of a medium-sized liberal arts Texas college called at my office. It seems they had decided to set up a science program, not so much, I think, because it was needed, as that it was fashionable to do and the president wanted, he said, to achieve balance. He showed me a picture of a building that was intended to fulfill this need or desire and asked me to help finance it. In my book, it was utterly ridiculous to try to get a businessman with any sense to do so.

He finally got the money from somebody, and they built it. But it had many Georgian columns, dormer windows and all the trappings that contribute absolutely nothing to function, and in this case nothing to beauty, but made a major contribution to high maintenance.

Now, I didn't want to contribute to the potential bankruptcy of an educational institution, so I put my money somewhere else where I considered the investment to be well founded. And I think a great many people do this.

The average pigeon who comes to the campus and can be relieved of some of the "long green" may have several motivations. These motivations should be understood. With ever-keener competition for the long green, your approach should be a complete and intelligent presentation which will sell your prospect on how worth while the job is that you are doing, and why he should part with his money to you insteadof to someone else.

We learned this in my company following World War II when we made the decision to continue in defense work as a permanent part of our business. Because contracting officers, to select the lowest and best bid, must decipher, understand and compare dozens of bids on many complex items to do their jobs well, our company presentations had to be as I have called for yours to be. I see this same problem every Monday in the City Hall docket for Dallas city purchases. A bid poorly typed that is hard to decipher, using poor English, and ill-arranged, can make one prejudiced against a bidder and in doubt of his capabilities.

So if you make an orderly, logical one-two-three-four presentation and package it attractively, see that your pigeon is suitably fed, coddled, wined and dined, and whatever else you have to do for him, you can present your case in the most favorable light to achieve the result that you want. Elmer Wheeler puts it, "You don't sell the steak, you sell the sizzle." While there is a whole lot in that, I am not telling you to high-pressure your prospects, but for heaven's sake help your money-raising group present a decent facade for the institution it represents.

Now, have we businessmen learned some other things which may be helpful to you? Perhaps I can suggest a few fundamentals which could be helpful.

I don't know how many people work *for* you, but all the people around you work *with* you, and so the art of persuasion, selling, just as in the case of this pigeon with money, is a very important thing.

But more than that, if one is a manager, what he tries to do is lay out in an orderly, logical pattern the work to be done and the best approaches to it with the tools at hand; tools which, by and large, are people, because management is getting things done through people. Not only must you organize your job to use people to the best advantage, but, just as critical, you must motivate them.

This is a very difficult thing to do. A man is pretty much like a mule. You almost have to hit him over the head with a block of wood to make him understand the *kindness* behind your motivation when you hit him with the block. Industry has had some fair success, however, in its basic approaches to this. Let me talk about three or four that I have found most important.

In the first place, one who puts his heart into a job he is given, and does it well, expects to receive equitable treatment for what he does. He expects to be fairly paid, but equity goes beyond pay.

You can achieve this in many ways. You can write a job description that is designed for the perfect man and make a study of it that gives you the characteristics that go to make up the perfect man, and you can rate the man on the job against this and see how he does.

Most big companies do this every six months or so and in the process get a pretty fair measure of performance and understanding of what equity might be for a given job.

However, even when you have given a man fair compensation in dollars and in other ways, you still haven't said to those around him, "My friend Joe Doakes," (I have my arm around Joe now) "has done a superb job in the last three months. Just look at what he did." This gives him a little bit of a personal medal for doing something beyond the ordinary call of duty. He adores it. And without it, he may not hate his job, but he won't love it. So the business of identification is important.

One must have a little bit of hay in front of this mule, and the best variety I know is opportunity. In a corporation, we think of this as posing to the individual employee a similar opportunity to fare better to that which confronts the corporation.

This means you can say to Joe, "Old boy, we are going to do more and better this year, and you are going to have a piece of the corporate pie if you do your share to bake it." Thus, you find that the pie contains not only equity and identification, but it has in it the prospect of advancement and opportunity.

Inevitably, of course, some of your people will be living and working only for a comfortable, retirement time (and some of them don't make it), but there are many more who can be discovered, identified, motivated, and kept aggressive through challenge. These are the natural competitors — the ones you see work until they drop — ever ready to remeasure themselves against new challenges — regardless of either their successes to date or the failures of others to succeed at what they may be about to attempt.

One man I know stands out in my mind. He is the chairman of the Pratt and Whitney Aircraft Company, Hartford, Connecticut, and a school mate of mine. He never went into competition to lose in his life. And he expresses it beautifully. He says: "I ***hate*** my competitors."

I have seen him drink with them. I have seen him play with them. I have never seen him when I didn't think his mind was hard at work on how to beat the living daylights out them the next time they met as competitors.

Another major way a corporation succeeds is to set forth clearly, definitively, in simplest terms, what it is trying to do and what it is trying to be.

My company, I think, has grown not only because we have comprehended and used some of the fundamental rules of good management in organization of work and people, motivation and communication, but because we have indeed set down our objectives and communicated these as fully as possible to all the employees concerned.

You don't take the janitor with the broom and try to get him to understand accounting complexities in a large corporation. You haven't time and it would be fruitless. But you do see that the man with the broom is properly motivated through understanding what his part of achieving major objectives is. He must be made to know that his part in achieving them will result in something tangible ***for him***.

Now, when I got into the educational field — I was going to say racket — I found to my surprise, my amazement, that very few colleges, very few secondary schools, very few educational institutions with which

I had any contact had ever set forth on paper what they were trying to do and be. The exception I found was John Moseley, president of Austin College. He was in my office one day and we were chatting about some of our mutual problems in education. He was thinking about me in different terms, perhaps.

At any rate, I said, "John, why is it that most universities and colleges haven't done this, because while it is difficult, extremely difficult, sometimes more complex than we know, it is the one device that prevents, in the case of the corporation, something that I express to our people as simply as I can, by saying, 'Let's not be run over by our future, let's have something to do with determining what it is going to be.' "

And John just grinned at me. He is, you will agree if you know him, a quiet man. And he said, "Well, it just happens that I got a small grant from the Ford Foundation to write up something like this. Would you like to see a rough draft? I haven't finished it."

And bless his heart, he had it. I tried this on for size in many educational institutions. Many of them live with only a one-year budget, or at most two or three, that you business managers construct. There is good reason for this in most instances. They have been fighting so hard for survival they haven't been able to think beyond next month's or next week's payroll. Many corporations used to do this; some still do.

None of us should. We have means at hand with the computer to study in great detail what we do and examine through proper accounting what our costs are, what our expenses will be. Even if there is none on your campus you can usually wrangle some free time on one from some unsuspecting operator or owner of a computer.

Five years ago, perhaps, Sidney Tickton of the Ford Foundation's Fund for the Advancement of Education, told me that in his opinion 25 percent of the private colleges and universities in the United States were broke but didn't know it.

I asked, "Why do you think they are broke or going broke, Sidney?"

He said, "Because many of them don't know that they are running a boarding house business. A great deal of what they spend is for board and room. They haven't determined their food costs, they haven't determined what the housing costs are, and they feel that depreciation is something to look askance at because after all, if a building wears out, there is another angel in the wings who can be pulled in.

"They start borrowing money in August to keep going until the tuition comes through. In the next year, they borrow in July or June. Later when it comes to about March or April, the bank says "no more money," and then they have had it."

Well, you fellows are more skillful, more experienced than that, and, moreover, I think, you now are possessed of golden opportunities. Times are better than they have ever been. You *can* get help. Sputnik made this possible for you. There is nobody who will part with money any easier than the fellow who is a little scared.

This is simply explained by the old story of the man who was in the company of a friend walking down the street when a holdup operator stuck a gun in the ribs of one and said, "Both of you stick them up or you are dead."

And one stuck them up and the other one as he did, reached in his pocket and took out his wallet and extracted a $10 bill and said to the other, "There is that ten I owe you."

People worried about education after Sputnik because they saw what any determined aggressor or potential aggressor might do by focusing on a narrow band of science or technology with determination and brains. To add to the few who could see beforehand what was coming in terms of an explosion of people to be cared for, and an explosion of knowledge without precedent in the history of the universe, this put more people in the mood to catch up.

Well, now we are having to live with the population explosion. We have not begun to learn how to deal with the explosion of knowledge. Both, I think, expand your opportunity to coax the dollars from the moth-ridden and reluctant wallets of those who have money, because many people have a very strong motivation in what they like to call enlightened self-interest, and they will put money on the line because of it.

I am not so sure it is enlightened, but as long as it is interest, you can drag that money away from them and it must be done while they have it. Next year or the year after we may be enjoying one of those nice recessions that we wished to forget.

I am not being an economic prophet. I am one of two classes of people, those who were adult at the time of the long-lamented depression, and those who hadn't been born yet. The latter haven't yet seen what happens when the whole economic picture gets torn into scraps and nobody knows what to do about it.

And I will tell you that back in those unhappy days, when many of my friends were selling apples on street corners in the New York area, that nobody did know. Just before it happened, we were told that we were in a new and enlightened era in which it couldn't possibly happen.

I am not trying to be a prophet of doom. I am trying to say to you that our economy can't go on skyrocketing forever. The skyrocket does turn downward sometime. Take a chance on picking the buttercups while they are in bloom and work it hard. Buttercups can be fun.

I have one more subject I should like to discuss, your college president. This man is much worse off than the president of a corporation. He is asked to be capable of getting along with an impossible body of alumni which expects the football team to win every Saturday; the faculty to give top grades to their offspring, regardless of how stupid these may be, and what inherited genes may have made them that way.

But this is only a small part of his problem. The president has to be the epitome of wisdom, of academic knowledge, a real scholar who knows more about Plato and Aristotle than those two knew about themselves. At the same time, he certainly has to know how to run a pretty big business and do it well. He should be making his endowment grow without asking for money from the particular alum to whom he's talking. He should run a good development department that raises unlimited funds without much expense associated with it.

The food should be good when the alum comes back for a visit, the quarters air conditioned and comfortable, even if the building was one that was sentimentally enjoyed by the alumnus when he was a boy. And he will want to see that old symbol remaining on the campus because it was ***his*** dormitory or ***his*** building for attending classes, whether or not it is useful today in our kind of world.

We have the same thing in the city. Some people want to keep an old courthouse down the street, and I think they will always want to keep the first settler's log cabin, forgetting now that it is only a replica of the one built by the founder of Dallas. So if you want to see what happens on campus, we can show it to you here too.

Now, this is the kind of job the man for whom you work must fill every day. It is just about impossible to find a man who can do all these things and do them well.

You who run the business end of the show can be all or nothing or something in between to this man. I think of the men in these jobs as some of the most important in the United States today, for it is in the institutions they head that much of our effort to make it possible for each individual to achieve his maximum potential so that he can make the maximum contribution to our society is concentrated. Turn that thought around and it says that our society can't reach its potential unless each individual reaches his potential and makes his own fair contribution.

We are living in the kind of world in which, at least at the top, we can no longer do with part of an education. Once it was bows and arrows and Indians and sod huts, and now it is A-bombs and H-bombs and something else to come that we don't yet comprehend.

But it is not so tough, is it? We have lived this way for a long time and the odds are we shall continue to do so.

These college and university presidents, trying to do so much as generalists, expected so often to be specialists, need to have the job you do lifted from their shoulders as completely as possible.

You are intelligent men or you would not be filling the jobs you do. Let me ask you: Have you thought either by yourself or with your college president about what your institution is destined to be, and once that is done, determined if indeed you are headed in the right direction to accomplish the goal?

It is interesting how this cross-fertilization of knowledge seems to apply to so many things. I have found that cities likewise don't set their goals on paper and then make plans to achieve them. Most of them have what they call a master plan, but it is a fragmented thing. It doesn't take into account all the facets that confront it. Even it it does take them pretty well into account, it has not set up a system of measures of value that tells in such a clear manner what it is that is being attempted, that one can establish an adequate system of priorities. "What is important? What comes first? What must we have a hundred percent in the next decade or so? What can we do without? What must we have 50 percent, 75 or 90?"

Start always with the basic objectives or goals, make them difficult but achievable. There is no use setting up something that is unrealistic in terms of money available to do the job. You know that from your budget work. There is no use in setting up something for which there will be no men to do the work. There is no use in setting up something for which the materials required will be unavailable when needed.

You know you will never reach the ideal, but once you see this perfect objective clearly, it is possible to think your way through to the achievement of the maximum amount of it that you can get with the men, money and materials at your disposition.

You are in a position to make a major change in the order of magnitude of the accomplishments of the head of your institution and the institution itself. I think you can; I hope you will.

TREASURER INGRAM: Mr. Jonsson, we are certainly honored that you would come and speak to us, and we want you to know that we appreciate it very much. We enjoyed it so much.

Mr. Jonsson has kindly offered to answer any questions, and this is certainly a golden opportunity if you have some questions that would deal with problems either in college work or in the civic work. He is mayor of Dallas, you know. I think he gave us a very clear statement.

And if there are no questions, are there any announcements, Mr. Osborne? You will notice on the program that the luncheon is at 12:15. I am sure you won't forget to bring your tickets for the luncheon. And be there and be back for the next session at 2:00 o'clock. We stand adjourned.

(Whereupon the meeting recessed at 11:45 o'clock a.m.)

THURSDAY LUNCHEON SESSION

April 7, 1966

The Thursday luncheon session of the Southern Association of College and University Business Officers convened in the Embassy Room of the Statler-Hilton Hotel, Dallas, Texas, April 7, 1966, and was called to order at 12:15 o'clock p.m. by Secretary Luther C. Callahan.

SECRETARY LUTHER C. CALLAHAN: Give me your attention please. You may remain seated and the invocation will be given by Mr. James Umbarger, University of Chattanooga.

MR. JAMES UMBARGER: May we bow our heads please.

Our Father in heaven, we give Thee thanks for good weather and the lovely promises of spring at this Easter season. We thank Thee for good health, good friends and all the other things we so often take for granted. We thank Thee for the keen challenges of this hour, for work to do that demands the best we have and still finds us inadequate.

Then may we seek Thy help, knowing that in partnership with Thee, in applying Thy will to our problems, there shall be no dull moments and no problems beyond solution. God bless us all and help us to do right and to be right. Bless this food and make us ever mindful of the needs of others. Amen.

(Luncheon was served.)

SECRETARY CALLAHAN: May I have your attention please? Before I forget it, there is one announcement I have been asked to make. The business officers of those Baptist institutions who are members of SACUBO are asked to attend a breakfast at 7:00 o'clock in the morning in the Mustang Room.

I am not going to present to you our SACUBO friends who are at the head table, but we do have a friend from the Central Association at the head table that I want to present to you. Jim Ritterskamp, formerly of the University of Chicago, who has just moved to be financial vice-president at Vassar, and is president of the Central Association. We are glad to have him with us today. Jim.

Our luncheon speaker today is the third president of Stephen F. Austin College located at Nacogdoches, Texas. He has held this position since November, 1958 during which time Stephen F. Austin experienced its greatest growth.

Dr. Ralph W. Steen, a native Texan, was born in Clyde, Callahan County, Texas. He holds the Bachelor of Arts degree from McMurray College in Abilene and the M.A. and Ph.D. degrees from the University of Texas. A noted historian, Dr. Steen has written 15 books on Texas history and government and American history and government, including several textbooks. He holds membership in many historical and professional organizations.

Our speaker taught at several Texas institutions prior to 1935 when he became an assistant professor of history at Texas A & M University. He advanced to department head and served at A & M continuously from 1935 until he was named president of Stephen F. Austin.

During Dr. Steen's tenure the enrollment at Stephen F. Austin has increased from 1,900 in 1959 to 5,800 in 1965. Some 20 million dollars in new construction has been added during the past six years. The institution enjoys the finest record of academic standards in its instructional programs.

We are indeed pleased to have with us and to welcome Dr. Steen as our luncheon speaker.

DR. RALPH W. STEEN: Your officers felt that there should be one spot on the program not devoted to your specialty. Since you are in Texas and my field is history, I decided to tell you how the state of Texas got into the business of higher education and what has been accomplished since the first state supported college opened its doors. I hope you will understand that this talk is completely informal. The statements will be basically true but as much attention will be devoted to interesting sidelights as to historical facts.

Those of you who have any knowledge of Texas history know that at one time Texas was a Republic. In the Declaration of Independence issued in 1836, one of the charges against Mexico was the failure of that country to provide for the establishment of public schools and colleges. Many people seemed to think that as soon as Texas became a Republic schools and colleges would blossom everywhere. In truth, however, no schools or colleges were established for the very good reason that the Republic of Texas had no money; and business managers know that you must have money in order to operate colleges.

The Republic did, however, get around to making a few gestures in the direction of education. One of these gestures was to set aside fifty leagues of land as an endowment for what it described as "two universities of the first class." At this time fifty leagues of land had a cash value of about $10,000, so you can see that they weren't really endowing any universities of any class. At least, however, it was a gesture and we will give them credit for that. Also at this time each county was given four leagues of land with which to establish public schools or colleges. As a result of this grant of land to the counties, the first publicly supported institution of higher learning in Texas came into being in a little East Texas town named San Augustine.

This little university was named, appropriately enough, the University of San Augustine. It grew in time to have one president, one assistant and perhaps twenty students. The president of this institution was a man named Montrose, who was a Presbyterian minister. He told the board that he had a Master's Degree from the University of Edinburgh. A stuuy indicates that the University of Edinburgh has no record of the gentleman and this would seem to indicate that in his opinion it was a long way from San Augustine to Edinburgh, that communications were slow and that he might as well have the degree.

There is evidence that the governing board had an interview with this man and that each of the three members asked him one question. One member wanted to know if he could figure interest. He said he could. The second wanted to know if he could diagram a sentence and he said he could, although I question his honesty. The third member wanted to know if he knew the "grandmother's trick." He did not. It seems that the "grandmother's trick" was a card sharper's trick that they did not want him to know. By being able to figure interest and diagram a sentence and not being a professional gambler, he was held to be qualified and was given the job. I can tell you that some present day boards are not this careful.

After a few years Nacogdoches, another East Texas town, decided to establish a university and employed Mr. Montrose as president. A short while later the University of San Augustine closed its doors and within a few years the University of Nacogdoches was closed also. Texans apparently decided that public higher education was just too expensive for a frontier republic. There were a number of church-related colleges and a number of privately operated academies in the Republic of Texas.

In 1846 Texas was annexed to the United States and many people felt that colleges and universities would soon be established. In those days, however, there was no Federal program to aid education. The only immediate results of annexation which the people could see were freedom from the necessity of maintaining an Army and Navy and the introduction of a stable currency. There was no great prosperity which made possible a system of public schools and public colleges.

The state drifted along from 1846 to 1861 talking about colleges and universities but never getting any established. An attempt was made in 1859 to establish a University of Texas. The Legislature appropriated $100,000 for the University, but later in the year the Indians on the frontier became hostile and the money was given to the Rangers for frontier defense and the university had to wait.

Then came this difference between the North and South in 1861 which went on for another four years. Obviously no colleges were established during this period and Texas came to 1865 without an institution of higher education supported by the state. During the war, the Federal government had passed the Morrill Act stating that land would be given to each state to aid in establishing a college to teach agriculture, mechanic arts, the arts and sciences and military science. Since the Texans admitted that they were back in the Union — and since the North insisted that the state had never been out anyway — a claim was made for this Federal land. The state received 180,000 acres of land, which became the basic endowment for the Agricultural and Mechanical College of Texas. The law was passed in 1873 providing for the institution and it began operation in 1876.

A locating board was appointed and it chose Brazos County as the site for the college. From 1874 when it was located until now, people have wondered about why it was located in Brazos County. There are two pretty good stories. One is that it was located in Brazos County because the locating board said it was going to be an agricultural college and it would put it there because if you could farm in Brazos County, you could farm anywhere. Another story is that the locating board had its meeting and delegates representing the various towns which were seeking the college attended. According to this story, the delegates got into a poker game and the man from Brazos County won the college. Regardless of the reason, it was located in Brazos County.

According to tradition, on that first day in 1876 the college had six faculty members and six students. In the minds of many people, that is the only time in its history that the college has been adequately staffed.

I might add that in this first faculty there was one member with a doctor's degree. This man was the professor of agriculture and his degree was a Doctor of Divinity. This wasn't as silly as it sounds as you must remember the college was located in Brazos County. If you deal with agriculture there, you need contact with the Lord.

Texas A & M has grown in the years since 1876 and has gained a nationwide reputation as a very fine institution. It has had many wild experiences which are of interest primarily to Aggies and perhaps to other Texans. As far as I know, it is the only college in the country that managed to expel the entire student body and fire the entire faculty in the same year.

The second college to open was the college for Negroes located in Prairie View and under the A & M board. This institution opened in 1878 and was named Alta Vista Agricultural College. The name was later changed to Prairie View A & M College. The following year a Normal was opened in Huntsville which is in southeast Texas, named for Sam Houston, a relatively important figure in Tennessee and Texas. With three institutions in operation, Texans began to feel that it was high time that they establish the University of Texas which they had discussed for so many years. Finally in 1883 the University of Texas admitted its first class in Austin. The constitution under which we are now living was written in 1875 and in this Constitution there is a grant of two million acres of land to the

University. This land was located in far West Texas and at the time it was given to the University it had almost no value. I mention this land for two reasons; first, because it ultimately came to have great value and second, because the Constitution also says "There shall be a University of Texas of which the A & M College shall be a branch." As long as this land was lying in West Texas with nothing on it but a few sheep, A & M insisted that it had no relation to the University of Texas. In 1921 oil was discovered on that land — not just a small amount of oil but a great deal of oil — and as the years went on and more wells came in and the endowment fund became larger and larger, A & M began to remember this statement in the Constitution.

In 1931 the Legislature passed an act dividing the income from the oil money between the University and A & M with the University receiving two-thirds of the income and A & M the remaining one-third. Later on an Amendment was placed in the Constitution stating that two-thirds of the income should go to the University System and one-third to the A & M System. The oil royalties fund is now approaching four hundred million dollars and provides a substantial income to the two state supported systems. Aggies continue to be a little unhappy about the relation to the University. I was a member of the faculty at A & M for many years and gained the impression that on 364 days of the year A & M is not related to the University in any way, however on the day they divide the money, A & M is close kin.

After the University began operation, everyone felt that Texas had all the colleges it needed for awhile and nothing else was done until 1899. In that year the Legislature provided for a Normal to be located in San Marcos, which is near Austin, and another in Denton, which is near Dallas. They both began operation in 1901. The Legislature in 1901, listening to pleas from the Federated Women's Clubs, established a school for girls. It was also located in Denton. The college's name was almost unbelievable, even for an institution for girls. It was named the Texas State College and Institute for the Education of White Girls of the State in the Arts and Sciences. After a few years it was decided that this name was too long and it was changed to College of Industrial Arts. It was later changed to Texas State College for Women and more recently the institution has come to be known as Texas Women's University.

West Texas gradually came to have a population and in 1911 a college was established in Canyon, which is just below Amarillo. In those days as you drove the nineteen miles from Canyon to Amarillo you had to open, and you were definitely supposed to close, seven gates. There were more cattle there than people.

In 1915 Texas inaugurated as governor a man who had no experience in politics and very little in education. He was, however, a practical politician and was perfectly willing to trade an area a college in return for something he wanted from a Senator or Representative. Strange as it may seem, in the two and one-half years that Mr. Ferguson served as Governor the Legislature provided for the establishment of eight new colleges. Nobody argued or contended or even thought that the state needed eight new colleges. It was just politically expedient. I won't bother you with the names of these colleges, many of which were in towns which would mean nothing to people outside the state. Most of them were established as Normals and since have become Liberal Arts Colleges. However, one of the colleges for which provision was made is of particular interest. It was to be a junior college located in West Texas and was to be named West Texas A & M College. This college became involved in a dispute between Mr. Ferguson and the University of Texas.

Mr. Ferguson quarrelled with the University of Texas most of the time he was in office and it is quite possible that he was urging the establishment of these new colleges in order to prove that he was not opposed to higher education: he was just opposed to the University of Texas.

The difficulty which Mr. Ferguson had with the University may have grown out of the fact that he had had no political experience and felt that the Governor was a man of great power. After he became Governor, he directed the governing board of one of the state hospitals to fire three employees and they fired them. He directed the A & M board to fire a man and he was fired. He then told the University board to fire seven professors whom he happened to dislike and the University board refused. These other boards had done what he asked them to do and he was surprised when the university board refused. This controversy with the university played a part in the election of 1916 and Mr. Ferguson took his re-election as a mandate to remove these faculty members from the University. When the Legislature adjourned in 1917 it left on Mr. Ferguson's desk a number of bills, including the appropriation bill for the University of Texas. Mr. Ferguson looked upon this as an excellent opportunity and he called the University Board to meet in his office. In this meeting he told the Board that it could take its choice; that it could fire these men, and by this time there were nine, or that it could refuse to fire them and he would veto the entire bill. He was telling the Board that it could have a University without the nine men or one that was closed.

While the Board and Mr. Ferguson were arguing, a student parade came marching through the Capitol with the band playing "The Eyes of Texas Are Upon You," and with numbers of students carrying signs comparing the Governor to the Kaiser. As you can easily imagine, this display by the university students greatly disturbed the Governor.

This was an unusual parade. The newspapers at the time said that there were perhaps 1500 people in the group, but I have never talked to any person who went to the university between 1910 and 1920 who didn't march in that parade.

The regents adjourned to the University where they had a long session and refused to fire the men. The Governor, as good as his word, vetoed the appropriation. He did not veto all of it, however. He left in two salaries; the salary for one janitor and one dean. I don't know what he meant to imply by that but it is nice information to have when a dean gets contrary.

Many people had opposed Mr. Ferguson and now a great many more came to feel that he should no longer occupy the Governor's chair. A few days after the veto of the university appropriation, the locating board for the West Texas A & M began its visit to the various towns seeking the college. Mr. Ferguson was a member of the five - member board. Every town in which they visited was treated to a speech by Mr. Ferguson on the evils of the University of Texas. After visiting the various towns the board returned to Austin and met to determine the location of the college. After the second ballot Mr. Ferguson said that Abilene had three votes and would be given the college. After the meeting adjourned, the members of the board began discussions among themselves and three of them stated that they had not voted for Abilene on either ballot. They returned to the meeting room stating that something was wrong and asking to examine the ballots. Mr. Ferguson said that the voting was supposed to be secret and that the ballots had been destroyed. Thereupon, three of the men signed affidavits that they had not voted for Abilene on either ballot.

This incident plus the University veto plus the many other charges that had been made against the Governor resulted in a special session of the Legislature. The session repealed the bill creating a West Texas A & M College, passed a new appropriation bill for the university and impeached the Governor.

No attempt was made by the West Texans to obtain a college at the 1919 session of the Legislature, but in 1921 they were back seeking their college. The Legislature passed an act creating a West Texas A & M College. It was again intended to be a junior college. The Governor at this time was Pat Neff. The state did not have money for all of its needs and Mr. Neff vetoed the college bill on the theory that it would be expensive and that it was not really needed. He was unprepared for the reaction in West Texas. People were furious. They organized an association named the State of West Texas Association. Their platform was brief and to the point: They were going to secede from Texas, they were going to organize a new state named West Texas and they were going to organize a college.

Mr. Neff was surprised at this reaction. He had intended to be Governor twice and now it looked as if he would get only a few votes in Fort Worth and not any votes in the area west of Fort Worth. With his political future in mind, he asked permission to attend a meeting in Sweetwater of the State of West Texas Association. He sent them a telegram and asked permission to talk with them. He was invited to the Association with the understanding that he would not be shot until after he spoke. He told the Sweetwater gathering that the West Texans had misjudged him completely. He assured them that he did not oppose a college in West Texas but he saw no point in establishing there a junior college. He invited them to ask the next Legislature for a senior college of the first class and pledged his support to an institution of this kind. The West Texans were greatly pleased and readily admitted that instead of being the cheap politician they had thought him, Neff was a real statesman.

In 1923 the Legislature passed a bill providing for the establishment of Texas Technological College and a new locating board was sent out to find a home for the institution. The board selected Lubbock as the location for the new college, whereupon the Mayor of Abilene sent a telegram to the Governor of New Mexico offering congratulations on getting Texas Tech for New Mexico. In spite of the grumbling and sour grapes, Texas Tech was established in Lubbock and it has done extremely well.

After the establishment of Texas Tech, it was the general feeling that the state had all of the colleges it needed and no more were established for twenty years. In the 1940's the Legislature provided for Texas Southern in Houston and later for Lamar in Beaumont. Beginning with Lamar, all of the colleges which have been brought into the state supported system have been junior colleges or at least locally supported institutions taken over by the Legislature. They include, in addition to Lamar, Pan American, Angelo, Midwestern and the University of Houston. This gives the state a total of twenty-two institutions of higher learning.

From the very beginning until very recently the state colleges were almost completely independent of one another. There were many different governing boards and there still are many governing boards, but in the last few years the state has been trying to get more for its educational dollar and has been providing for some kind of coordination. For a number of years we had a Commission on Higher Education and it has recently been replaced by a new agency named the Coordinating Board. Those of you who do not have an agency such as this in your states will probably have one in the relatively near future. The Coordinating Board has a great deal of authority and there is reason to believe that it can do a great deal to improve education in Texas.

It must be obvious to you that as more and more boards are created and more and more reports are called for, the colleges are going to need more and more business officers. I don't intend to brag on you as much as Mr. Jonsson did this morning but some good things should be said. I will tell you that a college president gives thanks a number of times each day for a fairly quiet and respectable student body, for such good professors as he has, and certainly many times every day for a good business manager.

SECRETARY CALLAHAN: Dr. Steen, we want to express our sincere thanks and appreciation for this very interesting address. Thank you for taking time from your busy schedule to be with us today.

There is another announcement that I have been handed. Cecil White, chairman of the Nominating Committee, asks that his committee meet him at the registration desk just outside this room, at 4:30 p.m. today. In case you do not remember if you are on this committee, Lomas Springfield from Southwestern at Memphis, John Dozier from Duke University, Walter Calhoun from Louisiana State University, Rod Shaw from Florida State University, and I believe he is not here yet, is he?

Are there any further announcements, Jay? The next session is at 2:00 o'clock. Panel A is in the Embassy West and Panel B in Embassy East. We stand adjourned.

(Whereupon the meeting recessed at 1:40 o'clock p.m.)

THURSDAY AFTERNOON SESSION

April 7, 1966

PANEL A — CONSTRUCTION FINANCING-PRIVATE SOURCES

MODERATOR: MR. CECIL WHITE: Ladies and gentlemen, we are delighted to present for the members of SACUBO this panel discussion on the subject, "Construction Financing — Private Sources."

The official program for this 38th annual meeting of the Southern Association of College and University Business Officers carries the program theme of "Challenge of Change." Every one who has been in the field of University business management for any length of time knows that we have experienced great changes in our fiscal operations, methods of financing, etc., as well as in the academic program presented at each of our institutions. During recent years, education has been labeled big business and the educational units have been able to attract construction financing from private sources — sources which were not available not too many years ago. We hope to examine some of the sources of these funds, discuss the legal aspects of private financing, and take a look at how some institutions are applying private funds to their construction financing.

Our panel consists of three very distinguished gentlemen, and we have asked each of our panel members to speak for some 12 or 14 minutes, which will allow ample time for questions and answers at the conclusion of the presentation.

I would like now to introduce the three members of this panel and, in the interest of time, I am going to introduce all of them and then ask them to speak to you in the same order as they are introduced.

Mr. Sam E. Maclin is Vice President of Russ & Company in San Antonio, Texas. Mr. Maclin was born in Rockwall, Texas, and attended public school in Sherman, Texas. He served in the U.S. Navy during World War II, and graduated from Tulane University in January of 1952. He was employed by Tulane University Accounting Office while attending the University, he was the Vice President of his class, and a member of Honorary Scholastic Fraternity.

Mr. Maclin has been engaged in the investment banking business since 1953, specializing in the field of college and university plant financing. Associations have been Vice President of Emerson & Company of San Antonio, Vice President and Manager of San Antonio office of McClung & Knickerbocker, and since 1960, Vice President of Russ & Company, whose principal office is in San Antonio. Mr. Maclin has been active in all phases of college and university plant financing, both as a financial consultant or agent and as an underwriter. He has handled either jointly or independently for public and private colleges funds exceeding $65,000,000.00. Mr. Maclin is a member of the Board of Trustees of the Municipal Advisory Council of Texas, and an allied member of the New York Stock Exchange.

Mr. Maclin, please stand at this time and let us identify you and express in advance our very deep appreciation for your help this afternoon. Mr. Maclin.

Robert F. Kerley, Vice President for Business Affairs and Treasurer, University of Kentucky. His B.S. was earned (with honors) in Business Administration from the University of California. With the University of California since 1951, he has served as a research project administrator, Assistant Business Manager, Business Manager of the Berkeley Campus, and as Assistant to the Vice-President. He served for six months as Business Manager of New York University. He has been particularly active in the field of governmental relations and is a member of the Standing Committee on Governmental Relations of the National Association of College and University Business Officers. He is the only business officer on the Commission on Federal Relations of the American Council on Education and the only business officer on the executive committee of the National Association of State Universities and land grant colleges.

Mr. Kerley, please stand and let the new members of our audience identify you at this time.

Mr. Hobby McCall is a native of Dallas, Texas, graduated from Highland Park High School, attended Southwestern University and the University of Texas undergraduate schools while majoring in Government. He received a law degree from Southern Methodist University Law School in 1942.

Mr. McCall participated in the D-Day invasion of Europe, battle for Normandy, and Northern France campaign in World War II as a major with the 90th Infantry Division. Following the war, he served as a trial lawyer for Internal Revenue Service and returned to private practice of law in Dallas in 1949. Since then he has been a member of the firm of McCall, Parkhurst & Horton, specialists in municipal, corporate, and institutional financing.

Mr. McCall is a member of the American, Texas, and Dallas Bar Associations. He is a member of the Committee on Taxation of Municipal Bonds, of the American Bar Association and associate member of the National Association of College and University Attorneys. Mr. McCall is active in ranching and in YMCA work — so those of you who have never seen a real Texas cowboy will have the pleasure of hearing one speak this afternoon.

Mr. McCall, will you stand and let us identify you, and tell you that we do appreciate your effort on our behalf.

Now that we have presented the members of our panel, let me again present to you Mr. Sam E. Maclin, Vice President of Russ & Company, San Antonio, Texas, and he will be followed immediately by Mr. Kerley and by Mr. McCall.

MR. SAM MACLIN: Since this is to be an open panel discussion period, my introductory remarks will be limited to a few brief suggestions which may be of practical assistance to you. In view of recent, and apparently continuing, developments in the federal college loan programs, our whole discussion today —"College Construction Loans- Private Sources"— may in time prove to be entirely academic. My very strong and sincere hope that this period will be of practical value to you stems not from any feeling on my part that my time is valuable and I don't want to waste it; but rather it is due entirely to the fact that I make my living in the college finance business and I don't want to be phased out.

Because of rapid growth and continuous need for the expansion of college plant facilities, a major problem today is designing and maintaining a sufficiently flexible debt structure which will permit additional plant financing as soon as it is needed. As you know, recently it has been accepted practice to establish a single auxiliary enterprise system at a college and handle future financing needs by the issuance of additional parity bonds through this system. However, the total time lapse from the planning of a project to the date when the project is completed and has one year's occupancy experience is often three years or more. This means that the use of the single system method, with customary additional parity bond covenants, frequently delays the construction of additionally needed facilities. To solve this problem at state colleges we have been establishing two separate auxiliary enterprise systems for borrowing purposes, thus permitting the issuance of additional parity bonds alternately by each of the systems. This way sufficient flexibility is present to permit rather rapid plant expansion if needed.

Other methods we use to facilitate unusually rapid growth include financing through a separate non-profit corporation, or financing an individual project separately and then refunding this separate financing (or in the case of the non-profit corporation, funding through acquisition), into an established system or systems at a later date. In this connection, if you establish an open-end system, be sure that you include in the bond resolution or indenture (1) authority for the issuance of additional parity bonds for any lawful purpose, *including refunding*, and(2) an earnings test for additional parity bonds which at your option can be based upon either the past fiscal year or the preceding twelve months' period. I have seen one case where essential parity bond financing was delayed eight months because the college did not have the option to use an earnings test based upon the preceding twelve-month period. A final method to obtain flexibility for rapid growth is the pledge of a student fee to an issue even though you never anticipate levying and collecting such fee. This way the fee is included in the security and can be calculated in coverage tests even though it was not collected.

New ideas in college finance today are sometimes merely extensions or adaptations of ideas used years ago. In the 1920's at least two major universities conceived the idea of selling stadium construction bonds to alumni and supporters of their football teams by offering the purchaser of each bond the privilege of purchasing two seats between the two 30-yard lines for a period of ten years or for the life of the bond. Today there are ready markets for college stadium bonds without the use of attached seat rights. However, several colleges are again considering the sale of seat rights as a means of raising equity money in new stadiums and coliseums.

There is another construction financing technique which has been occasionally used which involves wealthy alumni or supporters. The college sells a term bond issue, at an attractive interest rate, to an individual, or individuals, with the agreement that the purchaser will donate the bonds to the college upon his death. This agreement is a part of the bond indenture which also provides that the bonds will be refunded into a longer maturity should the purchaser outlive the original maturity date. By this method a prospective donor can receive a substantial life income and the college has full use of the money in advance of the gift. A prospective but reluctant donor of $1,000,000 to a state college might well be quickly influenced to act by an offer from the college of a tax-exempt lifetime income of $45,000 per year.

I have three general suggestions as to how you may obtain a better price (lower interest rate) for your bonds in the private money market.

1. Improve the applicable laws in your State. This is an area which no doubt will be covered by Hobby McCall, but since applicable state laws affect security and since security has a direct relationship to marketability, I want to mention this, also. To get the best price for your bonds your state laws should permit the pledging of gross revenues and unlimited student fees for the use of facilities. Many buyers of college revenue bonds prefer that gross revenues are pledged even before the deduction of proper maintenance and operating expenses. They claim that this greatly simplifies their analysis of subsequent operating statements, puts them in a superior position so far as available revenues are concerned, makes the issuer more aware of debt service requirements in month-to-month operations, and increases their coverage. Now, we can argue that the increased coverage is meaningless and that gross pledges reverse the customary order of business, etc. — but what real difference does it make to you? You intend to pay both M&O expenses and debt service requirements, and a gross pledge need not unduly restrict your operating procedures or flow of funds. Let the buyers have their way if they will give you lower interest rates without handicap to you. Incidentally, when you have a gross revenue pledge, you should still use a net revenue earnings test for additional parity bonds.

So far as unlimited student use fees are concerned, all buyers naturally prefer these over fees limited as to rate or amount. If your state laws do not permit pledges of gross revenues and unlimited fees, I recommend your working toward amending them.

Most state laws include provisions for refunding bonds and the accumulation of proper reserves in segregated accounts but some do not. Changes should be introduced where state laws are deficient in these areas.

Finally, markets can be greatly expanded by amending state laws where necessary to declare state college revenue bonds eligible investments for state banks, domestic insurance companies, trust funds, etc. Also, state laws should provide that state college revenue bonds may be used to secure deposits of public funds.

Both public and private colleges would be wise jointly to study the laws and experience in other states and consider their legislative needs.

2. Improve your financial reporting. Both banks and insurance companies are required to keep up-to-date credit files on their investments. I hear more criticism from buyers and potential buyers about failures or delays in receiving college audits and operating statements than anything else. As an ex-army adjutant I am aware of the problems which you probably have with many different requirements for overlapping and duplicating reports. Still, if your bonds are to be well regarded in both the primary and secondary markets, it is imperative that current operating statements of your pledged facilities be readily available. Usually, audited figures are not required, and a one-page operating statement pertaining to each issue and applicable fund balances is sufficient. These should be filed automatically with original purchasers and rating agencies as soon as possible after the close of each fiscal year. Also, a regular program of supplying information concerning developments at your college can be very helpful in upgrading the interest in your bonds.

3. Employ a financial advisor or consultant. Admittedly, no one understands the financial requirements and problems of a college as well as the permanent financial staff of that college. On the other hand, investment bankers who have handled scores of college construction loans for different colleges and who are in day-to-day touch with private money market developments are in a position to save you both valuable time and money when you are considering obtaining a construction loan from private sources.

   Competent investment bankers are available to work with your bond attorney and architect and recommend a financing plan designed to give you the most favorable terms and conditions consistent with obtaining the lowest interest rate available. I have mentioned some ideas for obtaining loans from unexpected sources and maintaining maximum flexibility in the design of your debt. There are numerous other techniques known to investment bankers who specialize in college finance. Sometimes the exclusion or inclusion of one seemingly unimportant loan design feature or provision will eliminate an important institutional investor from buying your bonds.

In the case of a private college a financial advisor can explore many different institutional markets and negotiate the direct placement of your loan at a favorable interest rate. If the college handles the placement themselves and obtains a good loan, how are they to know that they could not have obtained 1/8th to 1/2 of 1% better interest rate from other readily available lenders? As you know, the saving of just 1/8th of 1% in interest rate is quite a substantial total interest savings.

The private money market has always absorbed all of the volume of competitive college construction loans which it has been offered. I am convinced that private financing channels will continue to expand to absorb any future competitive volume of college loans, regardless of what such volume may be. With the exception of interest rate, we can offer terms and conditions equal or more favorable than those of the Government. In 1964 and 1965, it has been estimated that college construction loans placed in the private money market totalled nearly $300,000,000 per year or nearly one-half of the total long-term college financing during these two years.

There is no question but that the 3% money now offered by the Federal Government has had the unintended effect of slowing down total college housing starts. Many state colleges who normally borrowed most of their construction funds in the private money market are now competing for the 3% money. Because of the limited amount of 3% money available and the substantial interest rate differential in the private money market, many colleges are postponing additional housing construction until they can obtain a 3% Government loan. Something must be done, and I'm sure it will. My only hope is that corrective measures will again permit substantial participation in college construction loans by the private money market. We are very much like the local Dallas bank whose slogan you may have read. We want so much for you to "give us the opportunity to say yes."

(A transcript of Mr. Kerley's talk is not available)

HOBBY H. McCALL: As Cecil White has indicated I am to limit my remarks to the legal aspects of construction financing for colleges and universities obtained from private sources. Your program calls for another panel on construction financing with government funds later this day, so I will attempt to avoid treading in that area with my remarks.

Even with the government financing elements deleted from these remarks, I am still confronted with a rather broad subject. When given this assignment, I was reminded of a comment I heard recently about the new style in ladies' dresses. They appear to be short enough to be attractive, but long enough to cover the subject. While I do not propose to compete with the garment industry, it is hoped that these remarks can be described in that way.

Many aspects of construction financing are the same for publicly owned institutions such as state institutions and municipal or district owned institutions (for convenience referred to as " public institutions"), for privately endowed institutions and denomination oriented institutions (for convenience referred to as "private institutions"). However, the legal approach to the ability of the various institutions to participate in certain types of financing is different for the private institutions and the public institutions. With respect to the private institutions, it can be generally said that such institutions are fully empowered to participate in almost any type of financing arrangements except where such arrangements are limited by the terms of the articles of incorporation, canon law or in some cases by the trusts or wills whereby endowments are created, and rarely, statutory law of the particular state in which the institution is located. With respect to public institutions, their ability to participate in various types of financing must be spelled out in the statutory law of the state in which the institution is located, and must be examined in the light of the state's organic law, such being its Constitution. In other words, in examining the authority of a public institution to finance in a particular way, one must first satisfy himself there is no constitutional problem, and then he must find authority for the particular type of financing in the statutory law. Thus, generally speaking, with respect to the private institutions we look to the articles of incorporation, canon law, if applicable, and statutes for ***limitations*** on the authority to finance, and with respect to public institutions we look to the statutory law for ***express authority*** to finance.

Because of this basic difference in legal structure, you will find that most obligations, that is, notes or bonds, issued by private institutions are general obligations, and only in rare cases due to the usual constitutional restriction or lack of statutory authority that the obligations of public institutions are general obligations. For this reason also you will find very often that private institutions secure their general obligations with a mortgage on all or part of their properties and public institutions rarely give mortgages due to lack of statutory authority. It is interesting to note here that apparently the market requires all of the security that the issuer is authorized to give. In nearly all cases where a private institution is not prohibited from giving a mortgage, usually a mortgage accompanies the borrowing. We have seen a few situations where a private institution is able to finance without giving a mortgage on all or part of its properties. This situation occurs usually when the charter or trust or will prohibits granting of mortgages. With respect to public institutions, aside from the instances where public institutions are fortunate enough to have authority to issue tax obligations, we find that nearly all of their financing is done on what is known as the revenue bond basis, because most states have not seen fit to give the governing boards of the public institutions authority to place mortgages on public property. The revenue bonds of the institutions of higher learning have in ever increasing fashion gained market acceptance. This is certainly a credit to college and university management. I think Sam Maclin can testify to this. Revenue Bond financing, of course, is where specific revenues as authorized by statute are pledged to the payment of the principal of and interest on bonds issued by the institutions. In recent years we have found this method of financing being used in connection with private institutions also. As noted before, in most instances such revenue pledges are accompanied by a mortgage, when the borrowing is done by private institutions.

In the field of college and university financing, of more recent interest and development is the employment of the non-profit corporation. Chances are that in the future we will see more and more of this type of financing. Non-profit corporations can be organized for educational purposes in all states. If there are exceptions, I am not aware of them. However, you will find that there are problems in certain situations concerning their use. For those of you who have not had direct experience in connection with non-profit corporations I will state briefly how they operate. A corporation is formed under what is usually termed the general non-profit corporation act or not for profit corporation act of a given state. It is organized by "friends" of the institution. When organized it enters into an agreement with the governing body of the institution wherein it agrees to construct the desired facility, usually housing, and the institution agrees either by lease or other contract to occupy the structure. The debt of the non-profit corporation is retired either through payments from the institution or payments received from student or faculty users. When the indebtedness of the non-profit corporation is retired, the institution becomes the owner of the property without encumbrance. Normally, the non-profit corporation will issue mortgage bonds or notes further secured by the revenues specified in the bond or note proceedings. The non-profit corporation method of financing can be adapted to either private institutions or public institutions. If the security instruments and correlary documents are properly prepared, it is possible to obtain an Internal Revenue Service ruling to the effect that the income of the corporation is not subject to Federal income taxes, and in the case of public institutions a further Internal Revenue Service ruling to the effect that the interest received on bonds or notes issued by the corporation is excludable from gross income for Federal income tax purposes.

In addition to the methods of financing heretofore mentioned, we shouldn't overlook the straight commercial type of financing which is being done throughout the country. I refer to it as commercial financing, because the general format is for a business corporation without any particular benevolence on its part to build the housing for institutions and to rent such facilities either to the institution or to the students or faculty of the institution under some sort of arrangment with the institution.

So much for the different methods of financing that are now employed by colleges and universities. It has not been possible to elaborate on any particular method to any great extent due to the limitations of time. However, I would like to touch briefly on some points that should be and are considered by finance officers in connection with construction financing.

As Sam Maclin has noted, planning is the key-note in any successful financing program. The financing program should not be limited to a single project basis, but should be always undertaken, if possible, with an overall plan in mind.

One of the greatest pitfalls into which an institution can fall is for it to tie up more revenues than is necessary for any given project and thus for a number of years prevent further financing from the surplus revenues. I have reference here to "closed-end financing" as opposed to "open-end financing." Whether or not a bond issue or note issue is closed-end or open-end depends on the design of the security instruments. There is a very healthy trend in college and university financing toward the open-end method of financing. Usually, this is facilitated by the creation of a building system wherein a group of revenue producing facilities are grouped together and the collective income is pledged. Although the collective income may be more than ample for the initial financing, provision is made in the security instrument that under conditions set forth such as a required earnings history, bonds of a parity nature can be issued for further construction. It can readily be seen that an open-end method of financing gives an institution a great deal of elasticity in future growth as opposed to a number of closed-end issues where the income of each is segregated and the strength from the collective income is not employed. The open-end financing method can be employed as readily by private institutions as public institutions. It is likewise applicable to non-profit corporation financing.

Even though an institution is stymied by closed-end financing, in some instances it is worthwhile looking into the possibility of issuing junior lien securities in order to obtain construction funds. Depending on the local situation and the applicable laws, it is usually possible to secure additional financing with second lien mortgages or in the case of public institutions second lien revenue pledges. This is particularly true where you have a new facility that can be the subject of a first mortgage or a first lien pledge of revenues and the pot can be "sweetened" by additional second lien mortgages or revenues. This affords some relief to an otherwise hopeless situation.

One point that is often overlooked in revenue financing, or for that matter even where a mortgage is involved, and the bulk of the debt is to be retired from revenues from the proposed project. It should be kept in mind that the market expects a firm construction contract supported by a payment and performance bond prior to closing of a loan. There have been situations where financing has been delayed unexpectedly while construction plans are completed and bids are taken. I do not mean to infer that the plans and contracts, etc. should be completed prior to commencing work on the financing. It is usually the case that these can go hand in hand and the finished product from each phase completed at the same time.

PANEL B — COLLEGE STORE OPERATIONS

The Thursday afternoon session of the Panel on College Store Operations of the Southern Association of College and University Business Officers convened in the Embassy East Room of the Statler-Hilton Hotel, Dallas, Texas, April 7, 1966, and was called to order at 2:00 o'clock p.m. by Moderator R. C. Shasteen.

MODERATOR R. C. SHASTEEN: If you are ready, I would like to call this meeting to order. I am R. C. Shasteen, Business Manager, Austin Peay State College, Clarksville, Tennessee. We are located about six miles from Fort Campbell, the home of the Screaming Eagles. Presently they are in Vietnam fighting a war. You probably have noticed many casualties listed as from Clarksville.

All members of this panel can be listed as experts. They are either far enough away from home to be called experts or they are experts even at home.

Mr. Reuben R. Friou is the first member of our panel. He is president of the National Association of College Stores, Incorporated, and is manager of Southern Methodist University Bookstore. He was born in 1913; is a native Texan; is fond of sports, especially football, basketball, and hunting; likes to read financial magazines and business publications. He graduated from Tarleton State College in 1935. His experience in college business started with Tarleton State. He was cashier for a number of years. Later he became the assistant business manager. From 1945 until 1952 he was the manager of the college store at Tarleton. In 1952 he became the manager of the bookstore at Southern Methodist University. He has been an active member of Lions International since 1938 and is currently a member of the Downtown Lions Club in Dallas.

Mr. Friou plans to talk on the subject of College Store Planning. We are glad to have him present his part of the program to us at this time.

MR. REUBEN FRIOU: Thank you, Mr. Shasteen. This is just like old home week, getting to come back here and visit with you folks. I think my first visit with you was in 1956 in Memphis, and since then, this is my fourth appearance with you, so I am especially delighted to be back with you today. The time has come to examine and plan the college store.

Percentage-wise, few — if any, branches of retailing can boast of the progress in physical plants and display over the past 15 years as can the college bookstore group. During that time some 90 percent of all bookstores serving college and university students, faculty and staff have been remodeled, refixtured and expanded.

However, with the constantly expanding enrollments, ever-increasing required and desired tools of the trade, rapid advances in the sciences and the enlarged emphasis on research and continuing adult education, many of us may have been lulled to sleep in feeling that our present facilities are adequate to serve efficiently and effectively our students. It is the responsibility of each one of us in management roles to be alert to avoid the lull which comes from complacency and to maintain a careful watch on the changes — changes which on a day-to-day basis appear to be virtually nothing but in the long run are tremendous, so much so that they can bring us up short with the devastating revelation that we have been left by the wayside.

For some time now many of us have boasted about our so-called book-centered campuses and our book-centered stores. Is this just a cute phrase that sounds good but in reality has no meaning? How many of us, needing space to implement this boast and make it really ring true, have done something about it?

Graduate study at many universities is growing at a tempo which threatens to make it the tail that wags the undergraduate dog. This type of study with its associated research demands more and more books as the semesters go by.

The list of quality paperbacks and technical reference books continues to grow and expand as more and more publishers attempt to get on the band wagon. In fact, dollar volume and space requirements for these categories in many instances already are overshadowing the same two items in required textbooks.

If we are to keep pace with the modern trend toward excellence in education, the time has come to examine our past and present concepts of square footage per student and then start serious planning for the years ahead.

It is impossible to dispute the fact that there is but one direction in which the present demand for more books can go. It takes only a two-letter word to describe that direction clearly — "up."

Inescapable is the growth facing us in the college store field. Inescapable also is the need for each one of us to get our nose to that proverbial grindstone for we never will meet the challenge unless we study thoroughly the past and present, initiate the planning for the future and push with everything we have to turn well-laid plans into realities. Putting off until tomorrow what should have been done yesterday will mire us more deeply in the fearful rut of just existing. Remember well, many months are needed to achieve what is planned and the longer the delay in getting into those many months the longer you and your operation will be dragging your feet.

A book-centered store is just that. Can you truthfully say that yours is? If, after considerable soul searching you find that you cannot, it should be obvious that today — not tomorrow, for tomorrow never comes — is the day to do something about it.

I think it is safe to assume that within the next few years most of you will be building new stores or remodeling existing stores. It is to those of you that I wish to make a few remarks on planning the college store. They will not be original with me.

The Store Planning Committee of the National Association of College Stores has compiled a wealth of information in this area. It represents the combined knowledge of many experts in the college store field. Where should the college store be located? The best thinking is that the college store should be in the key foot traffic location on the campus — not only for increased volume but also for customer convenience.

A college store operates well in a student union so long as it has a good location in the facility and is not hampered either by lack of space or union administrative policy. It is assumed that the student union building would contain such normal activities as prevail at snack bars, recreation areas and the like— drawing customers into the structure. A union location should be a wing, so designed to provide a chance for expansion without disturbing the rest of the building. This also will allow independent hours of operation.

Always keep in mind that heavy traffic should flow past the bookstore. The store should have separate receiving and materials handling facilities and, unless it is a very small operation, these facilities should not be combined with food service.

Store management never should be under the union administration but should report directly to the business manager of the college or university. The relationship between the college store and the student union should be that of tenant and landlord.

Intelligent planning should provide for considerable store expansion in the years to come in order to meet the inevitable growth of student enrollment. Since union structures and other large modern buildings have a high cost per square foot for construction, many schools are finding it less expensive and more efficient to provide a separate building for the store.

Great care should be exercised in the selection of a location of a building such as this. The pattern of campus foot traffic should be studied carefully. A feasibility survey here would be just as important as in the location of a private business. Consideration should be given also to the possible location of a store traffic builder, such as a post office or a snack bar.

The ideal type of building for a college store resembles that of the typical supermarket with most of the space unobstructed by columns, the over-all shape rectangular and the entrance in the approximate center of the long side of the rectangle. Windows, except for display purposes, are problems.

Do not forget to provide adequate parking space, if this is possible. How much space should the store have? The experts say from two and one-half to four square feet per student based on the estimated enrollment of the school in 1970. Why is flexibility so important in store planning? Retailing policies change rapidly. Therefore, today's store can be outdated in as little time as two or three years. Because of this, many leading college stores are being remodeled two and three times within a period of ten years.

What are the components of a good check list?

Avoid outside windows. Neither natural light nor ventilation can be controlled well. Windows take valuable wall space which can be used far better for display purposes. If you must have windows, have them high enough so that they do not interfere with wall cases.

Modern bookstore planning today should include perimeter storage around the retail area.

If a store is in a building with other facilities, try to locate in a wing so that expansion is feasible.

If in such a building, be sure that the store can be closed off from the other facilities so that independent store hours are possible.

Independent shipping and freight receiving facilities are essential. Keep the entrances to these areas at a minimum since they will have to be watched at all times.

A conference room in the office area should be considered. It can be used effectively for staff meetings, salesman sample displays and many other necessities.

Trash disposal is an essential part of good housekeeping and must be planned accordingly.

Adequate electrical outlets should be provided in the floor of the building. This will allow flexibility in setting up temporary check-out counters during rush periods and in creating displays to be spotlighted.

Early planning should include proper location throughout the entire store of electrical conduit for telephone, intercom system and a public address system to include the necessities for background music.

Modern retailing demands central heating and air conditioning to provide an even, comfortable temperature at all times. Be certain this system covers stock rooms and the receiving area.

Provision must be made for foyer or bookdrop area outside the check-out area. Most stores use a combination of cubbyholes and lockers. Avoid separate entrance and exit doors. Students will not leave their books at an entrance and then return to pick them up after leaving by a separate exit door.

One hundred foot candle illumination at counter height is desirable.

Flooring should be light colored and checkering should be avoided.

Provide tight control over stock room entrances and exits, and the trash disposal area.

Inasmuch as it is essential that valuable wall space be used for display when mechanical features of the heating and ventilating system are planned, exhaust and return units should be either in the ceiling or in soffits above the case heights.

If the store is in a building used by other facilities, be sure to have an independent key system controlled by the bookstore manager.

What are the sources of assistance for store planning?

Store visits are highly recommended. The National Association of College Stores with headquarters in Oberlin, Ohio, will facilitate your visitations by sending lists of stores done by various firms or designers in your region. The best advice is to find the general type of store you want and then hire the firm to work for you.

Everyone agrees that the worst single error made in store planning is the failure to obtain the advice and counsel of the designer soon enough. He should be available when plans are on the drawing board since it is too late when construction begins.

How much storage area should be provided?

The amount of space necessary for storage depends upon the layout of the store and the distances from source of supply. Perimeter storage — storage behind most of the wall cases for the merchandise in front — seems to be the most advantageous type to use.

Storage demands are going to be greater where the store handles most of the office supplies on the campus. Certainly no store should have more than a third of the total space for storage, receiving and offices.

Too much storage invites overstocking. Since books and merchandise are sold in the display area of a store and not in the stock room, the display area should not be curtailed to allow for storage which can be handled in other location on the campus.

Obviously, there must be some final words, "Don't go it alone!"

Obtain the services of a store-planning expert early in the planning stages so that the building will be constructed properly for your store's use. The most experienced store managers have decided they need all the help they can get.

If you know what you want, the right designer will be in a position to give it to you. Not many stores that have been designed by architects have proven to be efficient college stores.

It is impossible to overemphasize this particular point. Obtain the services of a design firm which has had experience with college stores. It will be money well spent and will more than pay for itself in the elimination of costly mistakes in designing.

A final and most important caution is that, after you have succeeded in getting a competent store designer to work with your architect and business office, make positive demands that no planning be done without the assistance and approval of your bookstore manager. The manager is the one who must make the store succeed and he knows first hand what he needs and must have to do an adequate job.

Sometimes this is a difficult point to make with professional planners and campus development people, but the fact remains that not only the manager but also the college or university will suffer from inadequate facilities in the resulting store.

Gentlemen, it has been a pleasure to be back with you again. Thank you very much.

MODERATOR SHASTEEN: Mr. Friou, we appreciate your being with us and giving us the advantage of your experience in managing bookstores.

You will notice that our program calls for one business manager and two bookstore managers. I do not know that there is any significance that the ratio is one to two, but there might be. Clyde Freeman designed the program in such a way that a business manager would appear on the program between two bookstore managers.

Our next speaker is Marshall Pennington, vice-president for business affairs of Texas Technological College. I understand that he likes the name Texas Tech. He is a native of Georgetown, Texas, and has made college business a career. He played football and basketball at the University of Texas where he was graduated with a Bachelor of Business Administration Degree in 1935. It seems that a little later, he went down to a junior branch at El Paso, then called Texas College of Mines, now Texas Western. Am I right about that?

MR. M. L. PENNINGTON: Yes, sir.

MODERATOR SHASTEEN: Those boys from Texas Western are the boys that beat our close neighbor, the Kentucky Wildcats, for the NCAA National Championship.

MR. PENNINGTON: That is right.

MODERATOR SHASTEEN: This data sheet states that Mr. Pennington was the basketball coach down at El Paso. He led the Miners to a Border Conference championship; and if he had stayed, it looks like he would have been the coach of the national champions, Texas Western.

He left El Paso for wartime duty with the Navy and returned in 1946 as business manager and assistant to the president. He moved to Texas Tech in 1949 as comptroller and was named vice-president and comptroller in 1952. He was appointed vice-president for business affairs, and I assume that is a step up, at least they changed the title in 1963. In 1961 he was named Tech's Man of the Year. Why not? During his leisure time he enjoys the challenge and the excitement of the creation and the development of a new variety of plants. Marshall has a lot of hobbies and has done a lot of things. We are glad to hear a business manager, a vice-president in charge of business affairs, to talk about the bookstore from the administrator's viewpoint. Mr. Pennington, it is a pleasure to have you with us.

MR. M. L. PENNINGTON: Mr. Shasteen, members of the panel, ladies and gentlemen, I might mention in my coaching days at Texas College of Mines, there was no way for me to go except up. They had never won a basketball game when I became coach. That is the best starting situation I think anyone ever had.

Higher education today is a big, multibillion dollar industry, and it is getting bigger, more complex, more complicated, more frustrating and more fascinating each year. Frustrating because there never seems to be quite enough money, manpower or facilities to do the job that must be done in the manner that it should be done.

Fascinating as it involves the most interesting group of people — the students— and the stakes are the highest in existence as the fate of the state, the nation, and to some degree, that of the world depends on the job that higher education is doing today as, in time, the responsibility for making the necessary decisions will rest on the shoulders of today's students.

The institutions are getting more important to all facets of modern society and there must and will be more of everything — students, faculty, staff, facilities, equipment, research, and most important of all, improvement. Of course, all of it takes money.

The college community is now often larger than many towns and the college must provide more services in almost innumerable areas as the tempo of higher education increases.

In the process of helping students get an education, we house, feed, and protect them with health services, security forces and insurance.

We try to keep them happy, dry, warm in cold weather and cool in warm weather; and we try to keep them out of trouble and help them out if they get into trouble; we try to improve their morale and physical welfare with intercollegiate athletics, physical training, intramurals, artist courses and speakers' bureau; we even try to park all of their automobiles, Hondas and bicycles; we provide equipment, facilities and supplies and do all the other things — ad infinitum — that can be done to create the proper climate for them to learn as much as they can as rapidly as they can.

I, for one, think that higher education today is setting world records on that score as there probably has never been another generation that has learned so much so fast; but the next generation will be even better.

However, the panel today has only one aspect of the many college services to accentuate, and that is the college bookstore.

Many years ago there was little interest in the operation of a college bookstore and the service was generally amateurish and inadequate. As the years went by and enrollments increased and the curriculum expanded, need developed for a full-fledged store as an integral part of the college community, with a philosophy of need and operation in keeping with the goals of the institution.

Competent and experienced management and adequate facilities became essential, and a new, full-fledged profession emerged. Today the store is a vital link with the college community and requires all the experience, dedication and ingenuity that can be brought to bear, embodied in principles of good management, merchandising and service.

No longer could the store be in some isolated corner as, in a manner of speaking, it had moved uptown from the low-rent district on campus. There had to be adequate, attractive and convenient space in which to fulfill the purpose.

The bookstore is an auxiliary enterprise in that it must be self-supporting and it fits very nicely into the overall college picture. A bookstore with a million dollar annual income is no longer unusual. I firmly believe that the bookstore is the best way to assure the college community that its needs will be met.

The college-owned store has all the strengths of the college behind it and, in addition, usually enjoys a tax-exempt status. And it doesn't hurt a bit if the store manages to make a little money. In fact, a well-run store should make money.

A college store is one of the windows through which the college is viewed, and it should be operated with dignity and decorum in a practical and efficient manner.

The most vital element of a successful store is competent management, and there can be no substitute for a good manager. When Mr. W.C. Freeman called and asked me to serve on the panel today, my reply was that he should get Mr. Conner Cole, the store manager, as he is the one who is well informed on the subject.

Mr. Freeman said that he had good bookstore managers on the panel and wanted a representative from the administration of a college with a good store and that Texas Tech had such a reputation. So, I have ridden Mr. Cole's coattails right smack in here today!

The first store at Texas Tech opened in 1925 in a 15-foot-by-15-foot room in the home economics building; in 1927, Mr. Cole arrived and the store was moved to larger quarters, a double garage. It was so small that only a few students could be admitted at one time. They stood in line outside to get in. Today, the store comprises 32,000 square feet of floor space and has been designed to accommodate an enrollment of 25,000 students.

Mr. Cole has stated many times that there are only two things that the college store has to sell — courtesy and service, and in that order. He described his operation by saying, "The merchandise is on open, self-service display and the customer sells himself. Our job is to make him feel good that he came into the store."

Those remarks, simply stated, set the philosophy of the store at Texas Tech.

Bookstore management becomes more professional and specialized each year as there is a greater variety of merchandise and more volume and the students are more affluent. One important key to success is the ability to secure, train and retain good personnel. It is very helpful if the manager has the wisdom of Solomon and the patience of Job.

Dr. Trent Root, vice-president of SMU, summed up the manager very well when he said, "A bookstore manager is expected to please all people at all times at a profit."

My suggestion is that you get the best manager possible, aid and abet him when he needs it, help him with the over-all college portion of the operation, stand up and be counted when he needs for you to, let him know that he and his operation are a vital and recognized part of the college, and hang on to him. Otherwise, stay out of his way, and the farther the better.

To be successful, a store must have adequate and properly arranged facilities. In todáy's tough market with the rapidly growing needs for more and better services, the facilities must be specially designed to reflect the character of the college and the program of the store through the best talent available.

The first step is the program development and there is no one better equipped to do it than the manager with the aid of his staff. The methods of display, circulation and all other functions of a good store should be carefully worked into the best possible system of merchandising, efficiency, stock handling and space utilization.

The site is a most important aspect. Mr. Friou and I said the same thing only in a slightly different way. If you have one properly chosen, you are among the blessed. If you haven't, or if you should move, great care should be taken to find the best location available.

All aspects that affect the operations should be considered, and some are the philosophy, convenience, traffic (both pedestrian and vehicular), accessibility, peak loads and future expansion.

Other facilities in connection with the bookstore are often very important in an attempt to increase the services and sales. For instance, a post office is a good addition or, perhaps even better, the bookstore might be located in the student union along with the post office, as the store, post office and union are all complementary to each other.

It is recommended that all assistance possible be used in the preparation of the program, site selection and plans for the physical facilities. One method is the use of a recognized consultant, and with that bit of nomenclature, I mean the same thing as Mr. Friou when he said designer; another is to visit other stores; and still another is to take advantage of conferences, discussions and meetings — just as you are doing today.

Big dividends can be acquired by the use of a competent architect, and I would like to accentuate that this is after the program has been designed, as he can do much to provide exactly the needed facilities for the program that the college desires and asks him to design.

In planning a store, it is wise to make an allowance for future expansion and if proper plans are made, it is often surprisingly easy to add needed facilities as the years go by. There should be a long-range plan and time schedule in order to stay ahead of the growth and needs.

If you have off-campus competition, it is not necessarily bad. However, if you don't, I certainly would not recommend that you go out of your way to acquire any.

Generally, off-campus stores have a philosophy of operation that is quite different from that of the college store; whereas the college's primary goal is services, the off-campus stores seem to seek probably profit first. Generally, only the college store will attempt to provide all the items that the students and faculty need.

If you have off-campus competition, it may be necessary, and surely it would be wise, to make arrangements to live with them, and one important area is the textbook list. It seems better for the college store to accumulate the book lists and provide copies for the competitors at an agreed time, in order that all will have the information simultaneously.

The procedure saves time and trouble on the part of the faculty, and while it is easier for the competitors, it provides for the over-all college book needs and is the only way to know that the list is complete. In addition, it is not bad business to keep the competitors as far away from the faculty as possible.

There seems no way to get rid of the competitors, so the best method is to cooperate with them but give them no avoidable advantage in the process.

Communications and public relations are important and should be worked at. There is a tendency to wonder where some of the rumors about the college-owned store start. It seems as if every few years reports are circulated that the college store is gouging the students on prices, used books and items in general.

Usually, we suggest to the student that he make price checks and when he does, he invariably finds that the prices are either the same or lower at the college store. In addition, he finds that the college store has a much more complete stock and provides more and better service.

The use of profits from the college store can be a big morale factor as well as an important means of securing student and faculty support. There are many uses for such funds, but the policy at Texas Tech is to put the profits into new facilities for the college community.

The accumulated balances of the bookstore were used to get the original concept of the student union building under way, and the annual profits have helped to pay for the building throughout the years. Also, these proceeds have been used for such items as furniture for the faculty lounge. The uses provide a healthy result and make it a bit more difficult for outside competitors.

One characteristic, I am told, is merchandising and display to encourage impulse buying. For the first time ever, it was amply demonstrated to me only last Saturday.

The Texas Tech store has a policy of wrapping packages without charge, and I had a small package to be wrapped for mailing — so I went to the store. While it was being wrapped, I saw one of the new felt-pointed pens, or whatever it is called, and bought that; in addition, I remembered a few necessities such as ink.

The magnifying glass that I use in my chrysanthemum growing is not too good, or my eyesight is getting worse, and I needed a stronger one. While looking at those, I noticed a desk lamp display and remembered that the lamp on the desk at home is not adequate and for years I have been intending to get one more suitable. In the process of moving about the store, I added a few more items such as Scotch tape.

And when I left the store, I was loaded down and had a bill for a bit over $53. That must be impulse buying as I just went to the store to get a small package wrapped for mailing without charge!

Generally, the only market the store has is the students, faculty and staff, although there may be some trade with off-campus people. Good public relations, good morale, good service and courtesy, and all the other positive attributes are indispensable to a well-run store; and the resulting dividends to the college are immeasurable.

However, our sights should also be set on tomorrow with the skyrocketing enrollments, increasing sophistication of need, greater varieties of merchandise, increasing affluence of the college community and the new needs and desires.

The bookstore is a very important stabilizing influence in the college community and it is much to our advantage to make the most of it. Thank you, sir.

MODERATOR SHASTEEN: Thank you, Mr. Pennington.

I know we all appreciate Mr. Friou from Dallas appearing on our program. We appreciate Mr. Pennington, who is a member of our Association. However, we are greatly indebted to the next man on the program who is not a member of SACUBO. This man has honored our Association by coming all the way from Miami to talk to us about bookstore operations. He got here a little before lunch and is going to leave sometime after this meeting to go back to Miami. I think Gene Cohen should have been more liberal with him and permitted him to stay over for the banquet and go home leisurely Saturday.

We have had some real topnotch men appear on the programs of this Association. Mr. John Galbraith is another such man. At the present time he is the manager of the bookstore at the University of Miami, Coral Gables, Florida. He also wears the hat of assistant business manager for union affairs. He has been a bookstore manager for 31 years; is a past president of the National Association of College Stores; is currently chairman of the Education Committee of that organization; has traveled extensively across this nation, visiting hundreds of college stores; is a captain in the Supply Corps of the Naval Reserve; is married and has three children. He will speak on this subject: Your Bookstore Image.

MR. JOHN GALBRAITH: Thank you. Before we begin, Rube, I am going to ask that the group take ten seconds, stand where you are and stretch for a moment.

The last time I was in Texas they made me an admiral in the Texas Navy. It is a pleasure for me to be here today, ladies and gentlemen. We do not have a change of seasons like you have here, and we have not seen spring arrive in Miami, and it is delightful here. I appreciate this invitation to your beautiful city and I appreciate being invited to speak.

The theme of your meeting here is challenge of change, and I have chosen to talk to this with the title "What is your Bookstore Image?" And I would like today to speak to you on a side of the bookstore that is too seldom thought of by business people.

You as financial officers, are concerned primarily with budgets and the profit and loss statement, inventory, shrinkage figures and the problems of too little space. However, to all of us, the bookstore is far more than a financial statement. It is a key contact with the administration, and can also be used as a sounding board by the administration, because the students talk freely among themselves. Just be certain that your bookstore people are alert to this.

In the process of registration, the bookstore is usually the last point of contact with the administration in the long and in the tedious registration process. Ask yourself if your bookstore leaves students and faculty in a happy frame of mind.

Have you given any real thought to what your bookstore is in the eyes of other people? What is the image that you have created with your bookstore on your campus?

Invariably the bookstore is an auxiliary enterprise, operated by a manager under the supervision of the chief business or financial officer.

In the process of examining our bookstores we must remember that college bookstores are big business.

The average per capita student spending is close to $70, up from an average around $25 about 15 years ago. Total college bookstore sales in 1964 were in excess of 260 million dollars, and the figure is rising rapidly. The Commerce Department expects national book sales to climb to 2.3 billion dollars.

Now of course, it isn't all sold through college bookstores. One of our stores does about 12 million dollars per year, there are at least five or six stores that I know of that have sales of several million dollars; and there are over 30 stores that now are in excess of one million dollars each per year in books alone.

The bookstore is an important business segment to any business officer, and all of us have the tendency to let the dollar dictate the kind of bookstore we run.

What will sell best after the initial book rush is over? What items return the best margin of profit? The problem of investing institutional dollars in inventory — how much, and how fast can we turn it?

These are important questions; and we live with them on a daily basis, often under severe pressure to find more and more dollars. Is this the picture of your bookstore?

Your faculty, the administration and the community in which you are located, however, have a different picture of your bookstore. To them it is a meeting place, a place to cash a check, a supermarket type store where they can buy drugs and sundries, a few supplies, send a wire, have a watch repaired and the student can buy some required textbooks.

It used to be common practice to put the bookstore in any space that couldn't be used for anything else. The boiler room, large closets, basement store rooms. The manager was too often a lady from the business office, or a man awaiting retirement. It was a clerk-serviced store with all of the merchandise behind or under the counters.

Even if the store had the merchandise, too often it couldn't be found. The store was open only a few hours each day, and never on a regular schedule. Sales were low, so were profits and morale.

In some colleges, antiquated as it may seem, stores close up after the initial book rush, with pencils and paper sold in the dining hall. In those stores that did remain open between semester openings, the shelves exhibited a few boxes of stationery, a few sweat shirts, a poor selection of paperbacks that never changed, and a few other supplies. Not a thing in sight to stimulate a customer to shop or browse.

And the disheartening thing is you do not have to look very hard nor long to find such stores still in existence today.

Most bookstores though have changed dynamically the last 10 to 15 years. These changes involve management and basic store design. Managers have risen from a previous position of low man on the totem pole to one where he enjoys faculty or equivalent rank, and a salary more in keeping with his responsibilities.

Many managers have entered the field from management positions in other businesses, bringing with them a fundamental knowledge of good management, merchandising and sales techniques. A great many bookstore managers are actively working on a Master's degree in management, or have already acquired the degree.

Many of them take special courses of study from other schools, or through the seminars offered by the National Association of College Stores. They carry on a continuous on-the-job training course for their assistants and staff members; so management is trying to keep up with the change taking place.

The stores themselves have changed from basement locations of one small room into plush establishments up to 75,000 square feet of space. The average new college bookstore of today is in the area of around 7,000 square feet and up of space, most of it in the sales area.

[illegible] are large, plush establishments does not qualify them as good bookstores. It is agreed that space is a prime requisite for an improved bookstore; but let us consider the many other factors that make a good bookstore, and provide a good image for your campus.

Remember, if you will, it takes a happy mix of products, services, courtesy, good merchandising, management and hard work to develop a bookstore that pleases everyone.

First, I'm sure we all agree that puppy dogs, tooth paste, bowling supplies, clothing, records and gifts all have their place. These items provide good profit margins and thereby enable the store to subsidize other services that do not pay their own way.

Many of these items also contribute to the academic process by saving the student time and energy that he can devote to study and research. The most precious commodity the student can have is time, and having these items on campus provides a convenience that is important to student and faculty alike.

The prime justification for a bookstore on any campus is books. Any college president will tell you that a good collection of books is a stimulating force in the academic process.

It is therefore the responsibility of the manager and his staff to make any visit to the bookstore, and particularly to the book department, an exciting and intellectual experience. Most people love to browse in a good bookstore; never in a poor one.

Let me show you some examples of the factors or ingredients that make up a good bookstore. First, as indicated previously, we need space — lots of it. The space assigned solely to books in this store is 14,000 square feet; the entire area is carpeted in a pleasing yet exciting color of rug. The rug is made by Lee, it is continuous filament, woven nylon. It is flameproof and will melt but will not burn. In addition, there is good lighting of at least 80 foot candles sustained at counter height, and soft music is provided.

The books are well displayed, easy to locate by subject matter and there is a wide selection to suit all tastes. Ten thousand paperbacks, plus hardback trade, reference, and texts enable this store to show about 20,000 titles at any one time.

While these pictures are of a big store, catering to a large student body, and a considerable segment of industry in the area; the same ingredients while scaled down in size are required in all college stores of today.

These factors or ingredients are not a result of chance or luck. Professional planning and layout went into the store, and Mr. Friou has emphasized the importance of this. And let me, if I may, reemphasize it to you, how important it is to have a professional help you in the planning and the layout of your store.

Obviously the selection of books is extremely important. There are over 35,000 paperbacks to choose from today — which ones to buy?

Good relationships with the faculty provides the best source of information for the manager, for the faculty presells an awful lot of your books for you. The National Association of College Stores provides good book lists; publishers' representatives are an excellent source of information and help.

Once they are in stock, the manager faces the problem of inventory control: do you help him in this area? How do you keep track of 10,000 paperback titles? Hand records?

With data processing being available on most campuses, we must ask ourselves the question as to whether this system can solve our inventory control problem, both storewide and within segments of the store such as books.

Can the system provide monthly data on turnover, seasonal sales, obsolete or dead stock on hand, handle returns, provide the open to buy data? Can the machines and the system be utilized to produce purchase orders? Even if so, is the idea feasible?

It seems to me that here lies one of the main keys of challenge to change. Some means has to be found to help management deal with an increased volume of business; many, many more items; the need for vital information in a hurry; the need to summarize reports so that we can get to the nub of the problem without wading through six feet of paper. You are the one to help the manager in this area, and by helping him you help yourself.

It takes good merchandising to bring students and faculty to the book department, particularly if it's located on the second floor. Ads that intrigue the customer, displays that draw his eye, a constantly changing array of books.

Today, ladies and gentlemen, there isn't any excuse for a poor bookstore. The paperbacks bring thousands of good books within the reach of everyone's pocketbook, enables the store to display a large number in a relatively small area of space; and does not require a major investment in inventory. Management has been upgraded, and training programs are available to both management and staff.

The bookstore can and should be the book-centered hub of a book-centered campus. Remember, that in the long run, a better bookstore means more profit dollars returned to the institution.

And I leave you with one question, what is the image of your bookstore? Thank you very much.

MODERATOR SHASTEEN: Thank you, Mr. Galbraith, for this fine presentation. I know you agree with me that we have had three experts talking on bookstore management.

It is time for a thirty-minute coffee break. If you care to leave, you may do so now. Some of you may prefer to remain to direct questions to these three men. We are ready for questions.

MR. JOHN L. GREEN (University of Georgia): I'd like to know what you think of the trend that appears to be taking place in many institutions on the student book-rental plan.

MODERATOR SHASTEEN: Who would like to answer it?

MR. FRIOU: I personally would not think very highly of it. I think we should train our students to start their libraries now, and the time to train them is while they are a student. And certainly they are not going to start a library with rental books.

MR. GALBRAITH: I would add one more factor to that, and this is where you will find your biggest problem is that of academic freedom. To do something like this, you must have a guarantee of at least a minimum of three years in order to get your money back on a rental basis, which means that the professor cannot change an edition or a book for three years. And you are going to have some mighty unhappy faculty.

MR. FRIOU: You are quite likely to be using obsolete books. This is what John is saying there.

MODERATOR SHASTEEN: Would any of you like to comment on that?

MR. JOE H. BARBER (Mississippi State College for Women): How about a show of hands in this group who have any form of the rental plan. I have talked with the chairman, I knew he had.

MODERATOR SHASTEEN: I know we are very much in the minority. We have had a rental-book system at Austin Peay State College since 1929, the time the college was founded. We do not adhere to the three-year rule, although we know the three-year rule is about correct if we are to get our money back. We do not require the bookstore to make any specified percentage of profit. The cost of books rented averages about sixty percent of rental income. We both rent as well as sell. The student may rent some, he may rent all, he may buy all. If he is a graduate student, he is required to buy. The student is required to buy his books in some courses. Because of the many complications we do not recommend the system to others. Many of the faculty members oppose the rental system. The majority of our students favor it.

MR. E. J. JUNIOR (Albany State College): I'd like to ask anyone on the panel, what do you use to determine where your books will be bought? How do you get the index of what books should be given, an approved textbook list, a volume of this type of thing? What do you use as your index to get your order from, given a quarter or a year?

MR. FRIOU: I think your information has to begin with the faculty. They are the ones that generate this requirement. Now, this has to be tied very closely with bookstore records as to what you have got on hand in the way of used books, books that have been carried over from a previous semester and as to what you think your buy back will be if you are in a used book business.

But to answer your question directly, the information must begin with the faculty member. Now, your supplementary lists or recommended reading lists, can come from faculty members. They can come from the National Association of College Stores, from your Book Committee, they can come from the Sunday supplement of the New York Times, any number of places.

MR. JUNIOR: Following that then, the faculty member would submit a requisition or a list of books which they would like to buy for X class at this time, is that what you are saying?

MR. FRIOU: Yes, sir.

MR. SOLON GENTRY (East Tennessee State University): My bookstore manager says that books are harder to get this year perhaps than ever. How serious is this shortage of books?

MR. FRIOU: Mr. Gentry, I was privileged to spend ten days the first part of February in Boston and New York, with our relations with the publishers' committee at which time we talked to the executive officers of some 30- odd different publishing houses.

They are running scared. This inventory business with them is a guessing game, just as much as it is with my operation and John's operation. Sure, we have our records to go by, but it still is a guessing game.

Reprints, at one time took six weeks. A publisher would run out of stock, he could get reprints and have them back in stock in six weeks. They are talking now about six months. There was an excellent article along about the 9th of March in the Wall Street Journal. Go back and get that. That emphasizes exactly what these 30-odd publishing firms told.

Go back to your campus, insist that your bookstore manager use all the leverage that he has at his command and back him up, if he needs more to get the book lists in from the faculty and get to work on it immediately.

MR. GENTRY: For the fall term?

MR. FRIOU: For the fall term.

MODERATOR SHASTEEN: You had a question.

MR. MILTON ADAMS (Atlantic Christian College): I'd like to ask Mr. John Galbraith what procedure you use to assure yourself of information when a text is to be dropped so that you can unload anything you might have on hand?

MR. GALBRAITH: Right now we are two weeks away from the final deadline of our fall book orders being turned in. We are carrying some texts now over on the assumption that they will be used this next fall.

The information generated within the next two weeks will enable me then to make complete and final returns, because with most publishers, we have one year that I am allowed to do this with. Does that answer your question?

MODERATOR SHASTEEN: Other questions?

MR. W. E. BUTLER (Elan College): I'd like to direct this question to Mr. Galbraith. Could you give us some kind of an idea of an average inventory turnover per year, and also maybe an average inventory investment maybe at the end of the inventory period, per student?

MR. GALBRAITH: I will give you a "guesstimate" as to what your inventory turnover might be, but I would never estimate what your inventory in dollars should be. That varies with each institution and with your method of operation.

On textbooks, if you do not have a summer school, you ought to have a turn of two. In school supplies, if I were running a store, I would have a turn of a minimum of four to six, if I can get it.

In your clothing, that is sweat shirts, tee shirts and in gift items, there is often a tendency to overbuy and carry things over the summer or just buy too much at one time. A sharp operator ought to turn that merchandise six times a year. Very few of us do it. We are doing very well if we get four.

Mr. FRIOU: Don't be too hard on your bookstore man.

MR. BUTLER: Could you give me some idea or range of an inventory say at the end of a particular period, $10,000 to $25,000, $5,000 to $20,000?

MR. GALBRAITH: What are your sales per year?

MR. BUTLER: $60,000.

MR. GALBRAITH: What is the size of your student body?

MR. BUTLER: 1,350.

MR. GALBRAITH: This is off the top of my head and don't you hold me to this figure. When you open in September, you ought to have at least $35,000 to $40,000 of stock in your store. I don't know when your school year ends, but let's assume it ends June 30. You ought not to have over $12,000 worth of merchandise in your store.

MR. BUTLER: Thank you, sir.

MODERATOR SHASTEEN: Another question?

MR. J. W. BROADHURST (University of Georgia): Is it common practice to combine vending machine operations, cap and gown service, ring service, with the bookstore?

MR. GALBRAITH: Yes, sir.

MR. FRIOU: In many instances, in most instances.

MR. BROADHURST: Even though it may be, these operations may be on contract basis with outside vendors?

MR. GALBRAITH: These are considered by most business managers as auxiliary services. And if they don't fit under the bookstore manager, there has to be found a place for them in some other business auxiliary enterprise. It is just quite logical to put them under the bookstore manager, in many cases.

MR. FRIOU: On many campuses, everything pertaining to retailing is placed under the bookstore manager.

MODERATOR SHASTEEN: Another question?

MR. JOHN L. GREEN (University of Georgia): In line with vending machines, in your experience, it's been that most of the institutions are buying your vending machine rather than renting them?

MR. GALBRAITH: No, sir, just the opposite.

MR. J. W. BROADHURST (University of Georgia): Contracting them out?

MR. GALBRAITH: Contracting them out. There are taxes involved with the local city, there is insurance involved, which is rather costly and it is a very much neater operation to operate a contractor operation where the insurance and so forth are carried by the contractor and you sit back and collect the profits.

MR. FRIOU: It is the same thing as applied in industry. The trend is to leasing everything. It is about the same thing.

MODERATOR SHASTEEN: Ladies and gentlemen, we must bring this meeting to a close. A panel on college union operations is due to meet here in a short time. (Applause)

(Whereupon the panel recessed at 3:10 o'clock p.m.)

PANEL C— COLLEGE UNION OPERATIONS

Panel C on College Union Operations was called to order at 3:30 p.m., Thursday, April 7, 1966, in the Embassy East of the Statler Hilton Hotel, Dallas, Texas, by Moderator William T. Haywood.

Mr. Haywood related to the large group present the appropriateness of a panel session on college union operations in connection with the convention's theme "Challenge of Change." He noted the tremendous growth in the number of college unions during the past two decades and the important role played by the unions in the total life of the college. He noted that while prior to World War II there was very little attention given to the auxiliary agencies such as the college store, organized game rooms, casual eating facilities, student personal services including non-academic counselors, and mental health and financial aid, that these areas have now become one of the fastest growing areas on the college campus.

To present the panel discussion, Mr. Haywood indicated he would introduce the panelists in the order of their participation.

Mr. Haywood introduced, to discuss the outlining of goals and objectives of College Unions including the source of funds for union support, Mr. Charles E. Cosper, Business Manager of Louisiana State University Union. Mr. Cosper has been in his present position since 1962. Prior to that he served for four years as the District Director of the Memorial Student Center, Texas A&M University. From 1956-58 Mr. Cosper was also Administrative Assistant at Texas Engineering Experiment Station and for several years prior to that was an Assistant Auditor with the Texas A&M College System.

MR. CHARLES E. COSPER: My assignment on the panel is to discuss two phases of the College Union operation. First, the Union's goals and objectives, and Second, the sources of revenue for a Union..

College Unions have been with us for quite some time. The first college Union building in this country was constructed in 1896 at the University of Pennsylvania. Since that time, over 700 Unions have been built in the United States with another 200 in various stages of planning. This national acceptance of the Union movement prompted the professional organization of college Unions, the Association of College Unions-International, to adopt a set of guidelines or objectives for its operation. They read as follows:

1. The Union is the community center of the college, for all the

members of the college family — students, faculty, administration, alumni and guests. It is not just a building; it is also an organization and a program. Together they represent a well-considered plan for the community life of the college.

2. As the "living room" or the "hearthstone" of the college, the Union provides for the services, conveniences, and amenities the members of the college family need in their daily life on the campus and for getting to know and understand one another through informal association outside the classroom.

3. The Union is part of the educational program of the college. As the center of college community life, it serves as a laboratory of citizenship, training students in social responsibility and for leadership in our democracy.

Through its various boards, committees, and staff, it provides a cultural, social, and recreational program, aiming to make free-time activity a cooperative factor with study in education.

In all its processes it encourages self-directed activity, giving maximum opportunity for self-realization and for growth in individual social competency and group effectiveness. Its goal is the development of persons as well as intellects.

4. The Union serves as a unifying force in the life of the college, cultivating enduring regard for loyalty to the college.

On most campuses the Union is expected to accomplish these goals on a self-supporting basis, including the retirement of any construction indebtedness. I believe this is as it should be with one exception. The University should recognize that the Union serves all segments of the University community and should not expect the students, only one segment, to "foot the total bill." A way many Universities recognize this non-student service is by providing utilities at no cost to the Union. Another way might be for the University to pay the salaries of certain Union staff members. With that one "subsidy" the Union should pay its way.

Funds for the Union operation are derived from many sources. I shall discuss only a few of the most common ones.

1. Student Fees: Although the Union budget is reviewed in total I believe the student fee received should internally be budgeted for the following specific purposes:

a. Annual debt payment.

b. Activities program including staff salaries of program department.

c. Operation of the Theater or Assembly Hall of the facility.

d. If there are no business enterprises in the complex, a portion of the fee may be required for administrative costs.

2. Net receipts over expenses from business units: Mr. Frye will discuss the types of business units housed within the Union so I will limit my remarks to the following:

a. Each business area should pay its share of housekeeping and maintenance for the facility. Also I suggest that a space charge be made against the various units. These items should be charged against the operation for two reasons:

   1. This generates funds for use by non-revenue areas of the building.

   2. By making these charges the business units can operate and be compared more easily with equivalent commercial concern.

b. The business units should generate a reasonable net balance after expenses for use by the non-revenue areas of the building.

3. Rents and leases of space: Normally over 50% of a Union building consists of lounges, corridors, meeting rooms, restrooms, record listening and reading rooms and TV lounges. For the most part these are non-revenue producing areas. As long as the meeting rooms are used for meetings of organizations or departments there should be no charge made. However, when an individual member of the University community uses the room for a private party or social event, or an organization is charging an admission for an event, I believe the University should participate in the receipts and therefore make some charge for the space. This charge, though nominal, should cover the cost of housekeeping and set up of the room. In addition certain areas of the building may be leased to Federal agencies or commercial enterprises. If this is done, I believe commercial rates should apply.

4. Other sources of revenue: At LSU we have generated revenue from several other sources including:

a. Admission to events which are sponsored by our student committees such as Back Porch Majority, American Ballet Theatre, for which there is an admission charge.

b. The Union parking lot has 50 minute and 5 hour parking meters installed primarily for traffic control, but several thousand dollars revenue is generated for operations.

c. The LSU Union is charged with the responsibility for campus-wide vending, which produces a substantial amount of revenue.

d. Coin operated and semester rental lockers are available to students and faculty.

e. Non-student memberships are sold to faculty and alumni at a price equal to the student fee. This membership or privilege card for alumni entitles the holder to certain charge privileges, reduced rates and priority buying of tickets to Theatre events.

Today's Union is making a great impact on the University campus. As the goals I mentioned are fulfilled we can produce the "whole" person and not just the intellect. To accomplish these goals, however, requires the patience, understanding, and help from the University Business Office. As the Union program grows, new and complicated problems face you in the finance office. For example, most of the income is derived from cash sales which create security and accounting problems. The purchasing of costumes, Christmas trees, travel tours, etc., certainly give the University Purchasing Agent headaches. Operating the facility a minimum of 16 hours per day with traffic in the building of thousands of persons places an increased burden on the campus security office and University maintenance.

I could list many more items which surely are of concern to the various business officers but in spite of these concerns I am convinced that if the Union is to fulfill its objectives, these problems will be with us and must be faced and resolved. We in the Union field appreciate your understanding and support in this matter.

Mr. Haywood next presented, for the purpose of speaking on the scheduling of student union activities and their relationships with the various auxiliary enterprises located within the union, Mr. James T. Frye, Assistant Director of Finance and Business, University of Maryland, College Park, Maryland, who is a native Georgian. Mr. Frye has been in his present position since 1957. Prior to that he served as Business Manager for the Georgia Center for Continuing Education. His experience includes two years as Comptroller of South Georgia College and three years as Instructor of Accounting at the University of Georgia. Mr. Frye has B.B.A. and M.B.A. degrees from the University of Georgia and is a Certified Public Accountant of Georgia.

MR. JAMES T. FRYE: Charles Cosper has set the stage for our discussion of college union operations this afternoon by outlining the goals and objectives of a college union and by indicating the source of funds to support the union. I hope to add a few props with respect to union activities and their scheduling. Frank Garner will complete the setting by telling us how to plan a union and what university personnel to involve in the planning.

As a sort of connecting link between these broad subjects, I would like to refer briefly to the history of college unions by quoting excerpts from *Planning and Operating College Union Buildings*, a publication of the Association of College Unions — International. "The earlier college unions were student debating societies in English universities. The first founded at Cambridge in 1815, was literally a ' union' of three debating societies. It was followed by a sister organization at Oxford in 1823.... These unions, however did not remain debate centers only. Gradually, reference libraries, dining rooms, meeting rooms, lounges, billiard rooms and offices were added.... Subsequent union buildings took on the character of men's clubs— the British ' gentlemen's clubs,' with a bar. And they emphasized good paintings as part of the decoration, books of poetry and philosophy in the libraries."

The first unions in America were founded near the end of the Nineteenth Century. Although somewhat slow to catch on in the early years of the Twentieth Century, there was a great postwar upsurge in the establishment of unions due to increased enrollments in the early twenties. Even greater impetus has been given to the establishment of unions and the construction of union facilities by the rapid increase in enrollments in the two decades since the second World War.

In a search for ideas to serve as a starting point for my subject, I first turned my attention to the old reliable ***College and University Business Magazine.*** I later browsed through several publications of The Association Of College Unions — International and a few books. Since none of these seemed to present any information on the scheduling of union activities in a manner suitable for my purposes, I concluded there is no such thing as a uniform guide on such scheduling and that our moderator had placed me in the position of a pioneer in asking me to speak on the subject.

Somewhat in desperation, on Friday morning of last week, I telephoned the director of our College Park Union to explain my dilemma and to request his assistance in obtaining material for this talk. Upon arriving at his office that afternoon, he handed me about an inch of printed matter, apologized for his lack of time in which to discuss the subject with me and hurried out of the office five minutes late for a meeting of his board. As I glanced through the material over the weekend, I noticed a folded leaflet entitled "Here Is What You Find Inside The Student Union."

Inside this leaflet, the reader is given a brief descriptive tour of the entire union from bottom to top as follows:

In the Sub-basement are:

16 modern bowling lanes with automatic pinsetters
12 billiard tables
36 free lockers for women bowlers
60 rental lockers ($2 a semester) for bowling equipment
Vending-machine snack area

In the basement are:
Complete cafeteria facilities and three large dining areas.

Two-floor supply store with wide selection of classroom items
105 lockers to use while you are in the supply store
Game room for chess, checkers, and cards
Space for proposed hobby shop

On the first floor are:

Spacious, carpeted lounge for relaxing and special occasions
9 pay telephones
Television-viewing room
2 open-air party patios
250 seat auditorium
Numerous conference and meeting rooms
Student Government Association Offices
Offices of Assistant Dean for Student Life, Assistant Dean of Women, and Student Program Coordinator
Student Union Staff Offices for all information about the building

On the second floor are:

Television-viewing rooms
Magazine-reading room
Music and piano rooms
Stereophonic-listening booths
Fine arts display lounge
Well-furnished lounge for chatting and special occasions
Ball room with banquet capacity for 350-400 and audience-seating capacity for 600-700

This listing of facilities and activities, which I consider to be properly located in the Union Building, if space permits, suggests numerous daily occurrences in the student union. It indicates some of the day-to-day uses made of a student union facility by a large university. Many of these daily occurrences and practically all special occasions must be scheduled far in advance if confusion and chaos are to be kept out of the union operations. A great deal of cooperation by many individuals and groups is necessary if the registration and scheduling procedures are to be effective.

The scheduling of special occasions and events at Maryland is the responsibility of The Cultural Committee, The Student Union Board, The Director Of The Student Union and The Social Director. The Cultural Committee, which consists of 18 students selected by the academic departments on the basis of the student's interest in the arts, is responsible for selecting and scheduling ten to twelve cultural events each year, which are financed from the student activity fee. Their work is usually completed in the spring for the following academic year. The Student Union Board follows approximately the same time schedule in developing the following:

(A) A year's supply of week-end films.

(B) 15-20 classical films
(C) 15-16 dances per year
(D) 4-6 prominent guest speakers
(E) Faculty speakers for the student — faculty coffee hours held periodically throughout the year
(F) Special presentations

All other events to be presented through the student union program and in the union building are scheduled through the union director. These include the use of conference rooms, lounges, party patios, the ball room, auditorium and the use of union equipment such as projectors, screens, etc. Large events must be scheduled four to eight months, sometime a year in advance, whereas smaller events and groups normally can be taken care of with advance notice of from four to ten days.

In the event that an organization desires food service in connection with an activity, a large selection of items ranging from coffee and cookies to complete banquet service is available through university food service. Arrangments for catering service both on-campus and off-campus may be arranged through the food service operation in the union building or the main dining hall located a short distance away.

Of vital importance to the scheduling of union activities is a Master Calendar which lists as far in advance as possible information on events that are scheduled for the future. Such a calendar should contain information on all activities and must be corrected and up-dated as required if it is to serve the desired purpose. The master calendar should be controlled by a college or university staff member who has prime responsibility for approving events, reserving space and arranging for contracts with outside parties where necessary. The logical place for this control, I believe, is the office of the union manager or director, who should utilize supplementary calendars to the extent deemed necessary in conducting a dynamic student activity program with maximum and orderly use of the available facilities.

In conclusion, it seems appropriate to say that our student activity programs have achieved better than average success in their efforts to create something of interest to everyone who wishes to take advantage of their services and facilities. With some of the larger institutions conducting scores of events in their union building each day of the week as well as week-ends, a scheduling program of the highest possible calibre should be the order of each and every day.

To speak on the subject of Planning a Student Union, from its inception to completion, Mr. Haywood introduced Mr. R. Frank Garner, Vice-President for Business Affairs, Florida Presbyterian College. It was noted that Florida Presbyterian College is only six years old and has made substantial progress in the past six years in its growth toward an ultimate goal of 1,600 students in 1970. It was noted that this college has built 46 buildings in six years and plans to build 42 more in the next six years. This is representative of the subject assigned.

Mr. Garner is a native of Toccoa, Georgia, a graduate of North Georgia College and the University of Georgia, has done graduate work at Duke, University of North Carolina, George Washington University, and the University of Oklahoma. He has been on his present job since 1960.

MR. FRANK GARNER: These brief remarks will be largely applicable to a situation in which the Union can be planned from "scratch" along with the planning for all or many other of the campus programs and facilities. The concepts, however, might well be suitable in a larger realm.

You will note, I am sure, the influence of my occupation in a small, private, Liberal Arts college.

What kind of college is planning the Union? What are the objectives, the aims of the college? What is the nature of the student body? — resident? — non-resident? — men? — women? What is the social life structure? Does the Physical Education program influence the Union use? What are the Academic-Student Affairs concepts; and what part does the Union play and enjoy in developing the student's whole life at the college? What is the relationship of the campus to the community — location-wise and otherwise? How remote is the campus from city facilities? How welcome are an overwhelming number of students in the city's facilities? What is the town-gown-student relationship?

What is the physical layout of the campus? What is the access to the Union? — for residents? — for day students? What about architecture? — design? — esthetics?

Here are but a few of the questions which pop up when one mentions the College Union Planning Process. It may be impossible to solve all the riddles to the satisfaction of all parties (to put it conservatively!). Compromises and combinations may result.

Let me briefly present one series of answers — based upon beginning the entire campus planning at the same time.

If we could build a model of the campus and proof test it with actual customers before we build the real thing, it would indeed be a boon to the Business Officer and the College Community. Lacking that, we can brainstorm the situation and try to visualize the operation from many standpoints.

Let's employ some architects — perhaps a joint group including a national firm, a local firm, and an architect from a university staff and faculty. Let's have one of the principals be a man with a penchant for listening and sketching at the same time.

We must here skip many, many days and nights of planning the master plans. In the end we locate the Union in relationship to the other facilities and develop the concept of its need by, and service to, the community. In the process, Faculty, Students, Deans, Union Director, Director of Auxiliary Enterprises, Superintendent of Buildings and Grounds, Maintenance staff, Finance man, Chief Business Officer, Counseling Director, House Counselors, Housing authority, Physical Education staff, Chaplain, Store Manager, Services Manager, Food Manager should be brought in. There are others — don't forget any of them — and by all means, consult the President! But it will pay off. Can you invite several experienced Union Managers, Store Managers, and the like to conferences with that architect who can listen and sketch? Also, why not join the Association of College Unions?

If you think this is going over-board, let me add this word of caution:

Remember Herbert B. Swope's FORMULA FOR FAILURE: "Try to Please Everybody." Don't abdicate the responsibility to say "No," and remember the requirement to coordinate, consolidate, and adjudicate.

Permit me the pleasure of saying what we did. We came up with a four-wing facility after this process:

DINING WING:
Coffee Shop, separate dining rooms, telephone switchboard.

BALLROOM WING:
Ballroom, Union Director's office, Music-Listening rooms, Guest rooms.

RECREATION FACILITIES WING:
Bowling, Billiards, Ping Pong (etc.), Reading Room, Student Activity offices.

AUXILIARIES WING:
College Store, Mail & Messenger facilities and Post Office, Day Student Lounge and Student Dating facilities, Printing Department, Auxiliaries offices.

I've used up my time and my usefulness.

TO SUMMARIZE:
Visualize and brainstorm the operation beforehand —
Coordinate, consult, and give consideration to all —
Say "No" pleasantly — Don't turn back.

PANEL D—CONSTRUCTION FINANCING— GOVERNMENT SOURCE

The Thursday Afternoon session of the Panel on Construction Financing-Government Source of the Southern Association of College and University Business Officers convened in the Embassy West Room of the Statler-Hilton Hotel, Dallas, Texas, April 7, 1966, and was called to order at 3:30 o'clock p.m. by Moderator James E. Pomfret.

MODERATOR JAMES E. POMFRET: We are ready to begin this panel on construction financed by governmental agencies. May we establish the ground rules that our panelists will speak, and after they have all finished, we will then open the floor to questions or comments, as you wish.

May I extend to the members of the panel a word of welcome which President Belcher expressed this morning at the meeting at which you were not in attendance. We all appreciate very much, and I think this large group is evidence of the concern and interest that everyone has in the most important work that you all are doing in Washington. We are glad that you are able to be with us.

These men have varied careers: academically connected with higher education, higher educational finance and in governmental agencies. We think this is a fine representation, and I am sure that you will be pleased that you were able to attend.

I will not attempt introductions such as those we had this morning in which, I am sure, some well-justified remarks were made. However, it reminds me of the story I heard recently which is a true story, of the president of the University of Hawaii who was to receive a special award, and was introduced by the Governor.

The Governor had some very laudatory remarks to make on behalf of this excellent job this man was doing as president of the University of Hawaii. And when he got up to respond, he thanked the governor profusely and said had he known that he was going to say such nice things about him, he would have done the only decent thing and died.

Mr. J. Trevor Thomas will be our first panelist. He has been involved in the field of higher education administration, serving both the University of Omaha and South Dakota School of Mines as Vice President for Business. He moved to the United States Office of Education in 1965, and in September of that year, he moved to his present position, Director of College Housing Division, Department of Housing and Urban Development.

It is a real pleasure to present him to you at this time. Mr. Thomas.

MR. J. TREVOR THOMAS: I was grateful in attending the last session in this room to hear one of the speakers tell you that the College Housing Program is out of money, so at least you know that and we will be able to start there.

I have been in the College Housing Program about four months, and it has amazed me, despite the fact that the program is 16 years old, that there is still a large number of institutions who do not know of the program and who have not participated in it.

The first construction under the College Housing Program started in October of 1951. Since that time, the program has made more than 2,700 loans valued at approximately three billion dollars to colleges and universities and eligible hospitals in the United States.

More than half of this total of three billion dollars in loan value has been made in the last five years, as you might expect, due to the increased enrollments which have occurred during this period.

These loans have made possible the construction of housing on college campuses for approximately 650,000 students. This number is equal to more than one-third of all the full-time students who are resident on college campuses in the United States today.

During this period, three-fourths of the eligible institutions in the United States have participated in the program, and institutions in 49 states, the District of Columbia, Guam and Puerto Rico have constructed facilities with proceeds of College Housing loans.

I am sure that most of you here do know the details of the program. It is a direct loan program at a low interest rate. The usual loan term — it can be 50 years — is 48 years.

It is obvious that this program has provided massive assistance to higher education since its inception in 1950. Up until 1964, the funds that were available to the program on the average were equal to the demand for loans from applying insitutions. At the end of 1964, however, the program carried forward 53 million dollars in applications for loans which could not be funded from the '64 authorization.

A year later, at the end of the year 1965, this 53 million dollars had grown to 192 million dollars.

The first seven months of fiscal year 1966 produced an additional 568 million dollars in applications. As of January 31, 1966, the program was faced with a demand in the magnitude of 760 million dollars for loans for the construction of dormitories, student centers and other service centers, and a program level of 300 million dollars.

It is obvious that under these circumstances something had to give, and on the last day of January, the word went out that we would be accepting no more applications until further notice for College Housing loans.

At the same time that receipt of applications was discontinued, certain administrative restrictions were placed on loans, the principal two being that loans would be limited to four million dollars per campus per year, and that not more than $500,000 of this four million dollars could be for service facilities.

Those of you who are familiar with the act under which the College Housing Program operates know that the act limits loans for so-called "other educational facilities." This is the money which may be used for the construction of student centers, for separate dining halls, for infirmaries and other necessary service facilities. The act limits this type of loan in any one year to a total of 30 million dollars.

Not counting the carry-over, which was in excess of 25 million dollars against the service limitation, we received in the first seven months of Fiscal Year 1966 another 75 million dollars in applications for service facilities. This 75 million dollars, of course, is included in the 568 million dollars I mentioned a moment ago.

Under these circumstances, it was determined that the most important thing which could be done with the limited funds would be to try to provide the maximum dormitory spaces and the related dining facilities — consequently the limitation of $500,000 on service facilities.

That is where the program stands now. We have made reservations of nearly all of the funds that we have available for Fiscal Year 1966. And we still have on hand applications totaling 460 million dollars against next year's authorization.

At what time in the future it will be possible to again accept applications I can't tell you. I don't know. I don't have that kind of crystal ball. Sometimes I wish I did, but then I think perhaps if I did, the problems that come with this kind of vision might be more than I would want to handle too.

The present budget for Fiscal Year 1967 — next year — does not contemplate any increase in the authorization level of the College Housing Program. It proposes a continuation of the present 300 million dollar annual level.

I think you can see with 460 million dollars in applications on hand that the likelihood of very many new applications receiving favorable action during the next 12 months is quite remote.

I have tried to bring you up to date on what is happening in the College Housing Program. I wish that it could be a brighter report at this moment.

I'd rather devote the remainder of my allotted time to questions. You may have many questions about the program and about your own specific situation which need answering.

In the meantime, however, I think you would be well advised if you would keep in close touch with the College Housing representatives in the HUD regional offices. I am sure that they have been very helpful to you in the past and that they will continue to help you plan your housing and your facilities in the future. I only wish that we had more money to help you at the moment. Thank you.

MODERATOR POMFRET: Thank you very much, Mr. Thomas.

The second member of our panel is the name which has become a by-word to those of us who have been dealing with the Housing and Home Finance Agency for the past fifteen years. This is Mr. Jay duVon, who is Director of the Division of College Facilities in the Bureau of Higher Education, Office of Education, Department of Health, Education and Welfare. Mr. duVon has served the Federal Government since 1935. He served as Director of the College Housing Program from 1951-1964 and it was in this agency that, I am sure, most of us have had our dealings with him. In addition to schooling in the United States, Mr. duVon attended the University College of the University of London and Sorbonne in Paris.

It is indeed a privilege to present him to you at this time. Mr duVon.

MR. JAY duVON: I think the last meeting of this Association I attended was in 1951 at Clemson, and that is a long time ago. Some of us have less hair than we had then, and those who still have it, it looks a little grayer to me than it did 15 years ago.

But I would say you are a very distinguished-looking group. I am also delighted to see so many younger faces among you, because this must be a kind of self-renewing organization, as you all know.

Because of that, I thought, I might talk perhaps about the total involvement of the federal government in higher education in the years since the war. You all, not all of you, but some of you remember that when the GI bulge came, the federal government had to get into the act to provide the educational facilities to take care of that bulge and to provide temporary housing in the form of trailers and barracks and quonset huts. Some of those are still on your campuses, I am sure, as well as the shored-up barracks that were reerected for temporary classrooms.

Ernie Hollis, who was in charge of that program for the Office of Education, used to say they were the educational slums of the future, and I guess on a few campuses they still are just exactly that.

We did put up about 169,000 housing units at the time, temporary housing in the form of barracks, trailers, and quonset huts. We transferred, I have forgotten about how many billion dollars of laboratory equipment surplus from the armed services.

In 1950, the College Housing Program came along, as Trev has just described it to you. It has made a massive contribution over the years to the housing of students. And along in 1963 came the Higher Education Facilities Act, which is the program that I am concerned with now and that many of you are concerned with.

I'd like to try to put that in perspective in terms of about a three-year span of time. The Higher Education Facilities Act was passed right after the Kennedy assassination here in Dallas. Nobody was quite sure of whether it was going to pass, and I think it was, somehow it was almost a tribute to President Kennedy that members of Congress were able to reconcile their differences over church and state issues and put through that act which HEW and the Office of Education had been striving to establish for three or four or five years.

It was passed then. It wasn't funded until September of the following year, 1964, and it also became, as Trev described the housing program, a massive program.

In that year, which was fiscal '65, we made about 525 grants of 230 million dollars, as well as 110 million dollars worth of loans. This was a breakneck performance, a cliff-hanger, as some like to call it, because we had to process most of these during the last four or five months of the year.

But they were all processed and the loan agreements which had to be signed by the colleges began to get lost in the mails. I don't know how or whether they got lost on some presidents' desks, but we had to send out people from our offices to get the colleges to get some of the grant agreements signed, believe it or not.

We flew a man to Puerto Rico, we flew a man to Alaska, we flew a man to Atlanta, with his pockets bulging with loan agreements, to get presidents to sign them so we could get the loan agreements on the books. We got them all on there, and we achieved a pretty good reputation in the Office of Education as people who can get the money obligated.

That is the first year, that is fiscal '65. On the 8th of November, the President signed the Higher Education Act of 1965, which did a number of things.

As you know, it cut our interest rate to three percent, the same as the College Housing Program. It amazingly eliminated the categories as to the types of facilities which could be financed under the Grant Program. I never thought this would happen. People asked me about it, and I said, "It may be five or ten years before those categories are eliminated."

But they were elminiated on the floor of the House without any argument. The bill came out of the Senate committee without any argument.

So that went out. So now we can build or help you to build rather almost anything on your campus outside of chapels and divinity schools and gymnasiums and that sort of thing, almost any kind of academic facility that is eligible.

So we are now almost at the 1st of April, we have April, May and June, to go in this fiscal year, we will have 1,300 grants this year to the tune of 460 million dollars. We will have 110 million dollars worth of loans, with a backlog of about 75 million dollars.

At this point, we are going to be working nights, Sundays and Saturdays to get those grants out. But please, if we send you one of these things, sign it and send it back. Don't make us have to go out and put a pen in your hand, because this money has to be obligated.

So this is where we are, we are right in the middle of the second year of the program. But as things go in Washington, you are also not only doing what you have to do in that year, but you are also trying to plan ahead for the next year and the year after.

So let's look just a minute about where we are going. The Administration Bill is HR 13174, which was introduced by Congressman Powell the 1st of March, this year. And we have, under Title I, which is the Grants Program, two million dollars for the operation of state commissions, which is about what we had this year.

But we have a new gimmick which delights me, because it was one of my favorites, and that is four million dollars for comprehensive planning, not only by individual institutions, but by state or regional groups who may want to engage in this kind of planning.

We have another little gimmick which is sort of cute, which is one percent for works of art. This means statuary, paintings, mosaics, which you can contract for with your architect, with an individual artist, no competitive bidding and that sort of stuff. You can pick the artist you want to do the job and give him a commission to do it for you, and it can come out of the cost of the project.

I think Jackie Kennedy is probably responsible for the basic thinking that went behind this one. But our buildings should be adorned with the works of American painters and sculptors, and bless her heart for it.

The things that we are working on right now that may interest you, we are setting up a design awards contest. It will have the sponsorship of the American Institute of Architects Educational Facilities Laboratory.

You and your architect will be invited to submit plans, drawings and whatnot for your buildings, which you have constructed in part under Higher Educational Facilities Act money. And there will be bronze plaques when the buildings are completed, certificates for those that are still in the design stage.

And I want to tell you a little bit about the importance of this because what we are trying to do here is to say that the government has a very active interest in good designing. We are going to reward it, we are going to encourage you.

But we are doing this in lieu of what so many federal agencies do, which is to say, "You do it our way, and you build it the way we say it should be. This is a prototype. You go ahead and reproduce it on the campuses." And neither in the Housing Program nor in this program have we ever done this. We have assumed that the institutions of higher learning in this country as mature, responsible institutions which have their own individual and specific problems to solve.

We have encouraged them to get their architect and develop the architectural solution to a problem which is individual to your campus, to your type of students, your environment. And as long as the thing is going to stand up, is in accord with local codes and ordinances and that sort of thing, our engineers don't interfere with what you want to build. You can build what you want to build.

I think this has been part of the secret of both the College Housing Program and the Academic Facilities Program. The long hand of the federal government isn't reaching down there and telling you what to build or how to build it.

But we are by other means, devious, if you like, trying to encourage good design and rewarding it and hoping that this can be an important part that we will play.

The other thing that we are trying to do now, and it is not individual, it is my division, the Bureau of Higher Education, but we are moving toward a decentralization of our functions. We hope that within a year you will be able to get your applications approved in the regional offices and not have them come in to Washington. In Washington all we can do then is write the rules and regulations and procedures and make sure that there is at least some uniformity in the operations of the regional offices, because in a nationwide program, this is essential, so we must do it.

Besides, you fellows have the best CIA of your own. Somebody does something in San Francisco, and it is not done in New York, and you know about it right away. I know just how this CIA operates among educational institutions It is a very effective method of communicating back and forth.

These are really all the comments I have. I am delighted to be here to see old friends again, and I'd be glad to answer any questions you may have. Thank you.

MODERATOR POMFRET: Thank you very much, Mr. duVon. The third member of our distinguished panel is Dr. J.M. Leise, who comes to us from the National Science Foundation.

Dr. Leise is a native of Maryland and holds two degrees from the University of Maryland and a Ph.D. degree from Yale. He has had extensive work in academic fields in the area of bacteriology, and he served on the staff of Walter Reed Hospital and the Army General Staff.

He is a member of many honorary societies and has published widely. He came to the National Science Foundation in 1960, and at the present time is head of the Science Facilities Section Division of Institutional Programs.

It is a pleasure to have you with us, Dr. Leise, and I'd like to present you to this audience at this time. Dr. Leise.

DR. J. M. LEISE: Thank you. I am glad to be here. I am going to speak to you today about the Graduate Science Facilities Program of the National Science Foundation. This program was initiated because for some time many people at NSF were convinced that for many years to come, the National requirement for well-trained scientific manpower would continue to increase in all fields of science. Various surveys and discussions that were carried out and held by Foundation staff showed that in most colleges and universities the major factor limiting the graduate science program was the nature and size of the physical plant within which graduate education and research were being conducted. In response to this established need, the NSF initiated in fiscal year 1960 the Graduate Science Facilities Program.

In establishing this program, it was felt that every graduate institution should be permitted access to funds for the construction or renovation of graduate-level facilities. Hence, there are no prohibitions placed upon the basic science areas that may apply for support, so long as they have at least an active master's program requiring a laboratory thesis.

Since the merit of the graduate education and research program of the applicant institution is the prime criterion for the awarding of a facilities grant, there are no limitations of funds by institution or state. Academic institutions that are in the forefront of science education and research are eligible for grants, as are individual departments or multidisciplinary groups of demonstrated merit in those institutions which do not rank in the upper echelons of scientific endeavor. The Foundation also considers the urgency of need for the space being requested, and the potential for continued or improved merit.

The Graduate Science Facilities Program, as many of you may know, operates on a 50 percent matching basis, that is, for every dollar the Foundation grants, you must put up another dollar for the eligible space. Full details concerning the program are contained in our booklet "Grants for Graduate Science Facilities," a new edition of which has just been published. Copies are on the front table, and I wish you would kindly help yourselves. I will discuss with you today only some of the more important aspects of our program covered by that booklet.

Proposals may be submitted by colleges and universities on behalf of departments involved in basic research and graduate education in the sciences. We cannot support classrooms, but we can support teaching laboratories, ancillary space such as preparation rooms, instrument rooms, etc., and a proportional amount of gross space in the building.

The Foundation can contribute a maximum of one-half of the cost of the eligible gross square footage. Laboratory furnishings too are eligible for support, although furnishings for offices and seminar rooms are not eligible. In addition to providing funds for construction and furnishings, NSF facilities grants can also provide an additional sum for laboratory apparatus in order to help make the facility operational. The amount granted for apparatus cannot exceed 15% of the amount granted for construction and furnishings. This apparatus is meant to serve a general purpose and not to be a substitute for the apparatus that one might be able to obtain on a research grant.

Institutions may also request funds for the construction, expansion or renovation of central heating, cooling and power plants when such a project is part of a facilities proposal. Such plants must, of course, serve the science facility you are requesting, and can be supported on a pro rata basis to the extent of such service.

Of general interest is the newer kind of facilities grant referred to by the Foundation as a two-stage grant. Where planning has not reached a sufficiently advanced stage, the Foundation may make an initial grant for planning purposes, and will state its intent to award funds up to a specified amount upon receipt of satisfactory architectural documents indicating that the project can be accomplished substantially as proposed. These documents must be submitted to the Foundation within one year of the date of the initial grant.

The Foundation encourages the submission of preliminary drafts of facilities proposals for the purpose of preview for adequacy of presentation of the scientific and architectural aspects. The Foundation now has an architectural staff, and they will be glad to meet and discuss with you at any time the architectural aspects of prospective facilities proposals.

The Graduate Science Facilities Program was initiated in fiscal year 1960. Since that time, through fiscal year 1965, we have received about 1,300 proposals requesting 350 million dollars, and have acted on 1,230 proposals requesting 304 million dollars. Of the 1,230 proposals acted on, 800 were awarded grants totaling 125 million dollars.

The Foundation's facilities program is a small one, nowhere near as large as the other two you have just heard described. This year we have a budget of 25 million dollars. Next year, that is, fiscal year 1967, we are in the President's budget for only 20 million dollars. We have hope that the year after that the down trend will be reversed, but that is merely a hope.

About 65 percent of the proposals received resulted in grants, with each grant, on the average, amounting to only 70 percent of the dollars requested. The reductions were made because of ineligibles, other government agency support, and in some cases, lack of funds on our part. There has been a steady increase in the average size of proposals submitted and grants made. Over the six-year period, from the beginning of the program, the averages have increased from approximately $71,000 requested and $21,000 awarded to $521,000 requested and $270,000 awarded. This present fiscal year now drawing to a close, the average grant will amount to close to half a million dollars. This is because the universities and colleges are building larger and larger science buildings, and are requesting more and more funds for these buildings.

Reporting requirements on NSF facilities grants are of basic interest to this group, I believe. The required reports, both technical and fiscal, are relatively simple, and it is expected that reports and, we hope, answers to letters will be filed on time. Unfortunately, in some instances it has been extremely difficult to obtain technical and financial reports from grantee institutions. The problem seems to stem from the kind of authority and responsibility given to and expected from the institutional representative.

A facilities grant, unlike a research grant, is not for an individual, but is for the institution, and it is the institution that bears the responsibility of meeting report requirements and replying to correspondence. In conducting the Graduate Science Facilities Program, it may be necessary for us to be in somewhat frequent contact with a university representative during the evaluation of the proposal and during the active period of the grant. We ask that an individual be named as the institutional representative on each proposal submitted. It is our intent to maintain primary liaison with this person. Since the institutional representative need not, so far as we are concerned, be a member of the department or science area involved, institutions are encouraged to designate an individual as institutional representative on all proposals submitted for facilities support. This individual should be authorized to speak for and commit the institution to a course of action.

While a proposal is under review, the institution may make all the changes it wishes. Once a grant has been awarded, the grantee institution must obtain prior approval before significant changes can be made in the project. If approval for such changes is not obtained, expended funds may be disallowed. The word "significant" is deliberately left open to interpretation, but we do consider such changes as adding or deleting a floor from a building as significant.

While it is not practical to define the eligibility of each and every item because of varying circumstances, the facilities booklet does provide some guidelines. Costs that are directly necessary for the construction of the facility, as determined by the construction budget, drawings, and specifications, are eligible for support. We cannot accept charges for indirect costs, costs of ground-breaking ceremonies, or charges for the travel of personnel to inspect other facilities. In instances where the booklet doesn't answer your question, phone us or write us and we will be happy to give you clarification.

Inasmuch as we expect the university to construct the project described in the proposal, and cannot consider requests for supplemental funds except in very unusual circumstances, the institution should be most careful in drawing up the project budget. Where favorable bids result in an excess of funds, we expect that a portion of the savings will be refunded to NSF. If money is saved, you should not build an extra facility or extra rooms unless you have specific permission to do so.

The responsibility for managing Federal funds rests both with the Foundation and with the colleges and universities. It is the Foundation's view that each grant represents a partnership with the college or university. Once the grant is made it becomes primarily the institution's responsibility to manage the funds properly. We most certainly cannot do that in every institution that has a grant. Since the Foundation cannot monitor each grant in detail, a great deal of the control rests with you, the business officers.

You know — or should know — the terms and spirit of the grant. You know what charges are being made to the grant. You know the composition of the charges in grant reports. As business officers, then, your contribution to the NSF-college and university relationship in facilities grants administration is most important. We look forward to your continued interest in and cooperation with the National Science Foundation. Thank you.

MODERATOR POMFRET: Thank you, Dr. Leise, and thank you, gentlemen, for being with us. I think the number and the attention of the group is full evidence of the interest and concern that everyone has in the work that you all are involved in and doing on our behalf.

I believe that you will want the name and the institution of any individual with questions. Do we have questions or comments at this time? State your name and your institution please.

MR. B. ALAN SUGG (University of Arkansas): I'd like to direct this question to you, Mr. du Von. You mentioned there was 110 million dollars available for Title III loans for the Higher Education Facilities Act. Now, have requests for this fiscal year exceeded that amount, 110 million dollars?

MR. duVON: Yes, they have, by about 75 million dollars. New York State is over its 12-1/2 percent, so we can't process any more for New York State. But we are still accepting applications, contrary to the College Housing.

And another 200 million dollars falls in place on July 1, and in the budget, there is the possibility of increasing it by another hundred million dollars. If we have taken in enough paper by that time and we can sell this paper to Fannie Mae on a participation basis, we can conceivably have a 300-million-dollar program in '67. But there is a lot of "ifs" in it.

Do we have the paper? Have we closed the loans? Do we have the bonds? Can we sell? Will there be a market for it?

And this whole thing is tied up in the President's budget. He expects to save about 4.7 billion dollars through the sale of government assets. And the Small Business Administration is having a very rough time right now trying to get its legislation through.

And there is an omnibus bill that covers this participation type of operation for all federal agencies. It looks like it might have a rough time. There is that possibility.

MODERATOR POMFRET: Do you have any other questions?

MR. DUVAL S. ADAMS (Nova University): Do you still propose to follow the priority system that you established in the receipt of these applications as the money becomes available?

MR. THOMAS: Well certainly, we will have to have some priority system. Whether or not it will be exactly the same as this year, I couldn't say. There will be some limitations. The American Council, through their committees, have offered, and the Department has stated its willingness to take suggestions as to how these allocation systems should be set up.

So whatever is done will not be done in a vacuum; it will be done in cooperation with the educational community. But there will be — there must be — some kind of priority system.

MR. ADAMS: I am concerned, of course, with an application that is pending with you. I just wonder, I know about what the priority is, and I wonder if I am going to get another shot?

MR. THOMAS: I think we have to assume that the applications which are on file at the moment meet all of the requirements. Whether or not we are going to change the ground rules is a moot question. I don't see how we can at this point in time for applications on file. Does that help you?

MR. ADAMS: Yes. Thank you.

MR. JAMES E. HASSER (Spring Hill College): Under the Higher Education Facilities Act, Title III loans, it is my understanding that we have three years after receiving a funds reservation letter for us to start construction. Is this correct?

MR. duVON: That is a lot longer than I think it ought to be, if it is that.

I think it is two years. Actually, I think that the loan agreement gives it something like six months. You can get a waiver on that if you need it.

MR. HASSER: Gives you six months for what?

MR. duVON: To start construction.

MR. A. L. PALMER (Texas Southern University): Dr. Leise, do I understand that the funds available are available for extension or alteration in addition to existing facilities, as well as new facilities?

DR. LEISE: Yes, renovation or construction.

MR. JESSE B. MORGAN (Tulane University): Jay, I think I just happened to be reading the loan agreement, 360 days from the date the loan agreement is signed, you have to start construction.

MR. duVON: One year then, to start construction.

MODERATOR POMFRET: Other questions?

MR. J. W. WOOD (Millsaps College): You mentioned money for comprehensive planning. Does this mean you can use proper planning for your whole academic plan, or is it limited to one building?

MR. du VON: No, this would be for your whole academic plan. The thought is that many of the applications that come in to us indicate a lamentable lack of long-range, master planning on the part of the institution. If they have master plans, they may be ten years old and have never been reevaluated, and a ten-year-old plan that has not been reevaluated is worthless, I assure you, because things move too fast these days.

And what we are trying to do is encourage institutions to do this type of planning and keep it up to date, reevaluate it. And this simply means there will be some money to help you do this with. I will tell you this story about this for what it is worth.

I went out to one of our universities several years ago, ten years ago perhaps, and the president wanted to put in some married students out there. I said, "Where are you going to put it, Father?"

He said, "I don't know. We might put it here and we might put it there."

I said, "Where does your master plan call for this housing?"

He said, "Jay, we really don't have one."

So I used my gambit that I have used on many of you for so many years. I don't set myself up as an expert on these things. I said, Mr. President, you should see what one of your colleagues is doing out at one of your sister institutions. He's got the damnedest master plan you ever saw. Fifteen years ahead he knows what he needs, he knows where to put it. He is reevaluating it every year."

The president hemmed around a little bit, and then I threw in a little more. I said, "You know, make no little plans. They have no magic to stir men's minds. Make big plans with noble purposes."

Well, the next week he went out to visit the sister institution and just about 18 months after that, he set up a development office and published the first master plan at that university and on the cover it said, "Make no little plans. They have no magic to stir men's minds."

I thought that is one day I made my whole year's salary in one day.

MODERATOR POMFRET: Do we have other questions? If not, thank you again, gentlemen. And these booklets are here and we stand adjourned. Thank you.

(Whereupon the meeting recessed at 4:20 o'clock p.m.)

FRIDAY MORNING SESSION

April 8, 1966

PANEL E — RECRUITMENT AND TRAINING OF BUSINESS MANAGEMENT PERSONNEL

The Friday morning session of the Panel on Recruitment and Training of Business Management Personnel of the Southern Association of College and University Business Officers convened in the Embassy East Room of the Statler-Hilton Hotel, Dallas, Texas, April 8, 1966, and was called to order at 9:00 o'clock a.m. by Moderator Harold Read.

MODERATOR HAROLD READ: First before we get started, Mr. Osborne asked that I make a few announcements. One, in the ladies' section of your program, there is an error in that the banquet is stated for 7:30 instead of 7:00. Now, in your section, it says 7:00. So, should you get there at 7:00, and your wife waits until 7:30, this might cause a little difficulty. He wants you to make sure the women's program should show the banquet at 7:00.

The other announcement pertains to the roster. We have here on the front table a roster of those of us who have registered for this SACUBO meeting. Unfortunately, since this was Easter holidays out at SMU, their print shop reproduction unit was closed, and they didn't get a chance to make enough copies so that each of us could have one, at this time.

So since the roster becomes a part of the official record, it is suggested that you check just to make sure your name is spelled right and identification correct.

This is Panel E of our discussion groups, and our subject is "Recruitment and Training of Business Management Personnel." We are conforming in a way to the theme of our program as a whole which Mr. Freeman had entitled "Challenge of Change." And Panel E is demonstrating the technique of change.

If you will notice, our panelists as listed in the program are not the ones you see before you. Our first panelist got caught in a tornado in Florida and couldn't attend. In fact, I think he really got caught in two tornadoes, one of the weather variety about which we have been reading in the paper, and the other type of tornado which sometimes originates in a state capitol for public-supported institutions.

Playing in Mr. Dennard's place this morning we have our own Gene Cohen, former president of SACUBO. He is from Florida also. But fortunately he was a little bit south of the tornado area.

In his assigned place on the program, we have a truly varsity performer, Fred Vorsanger, from Washington. And for bench strength, we have added George Kavanaugh, who is the chairman of the SACUBO Professional Development Committee, and who has also helped in the educational program in Kentucky that we have had going on for a number of years.

Now, your interest in this subject of recruitment is demonstrated by your attendance here rather than attending our competing panel.

If your experiences have been similar to those that we have been confronted with at the University of Tennessee, it seems that this recruitment problem is constantly getting more difficult. As we are growing, we need more and more people, and it seems that they are harder to come by all the time.

Now, where do we go to look for them?

What qualifications do we expect people to have when we bring them on deck?

What previous educational requirements should they have attained?

Have we had to lower our educational requirements in order to get personnel that we had to have, or has the job been such that we have had to raise our personnel and educational requirements?

What type of experiences have you found to be most ideal as far as previous experience before you bring a man on to a job with you?

How do you go about immediately orienting this person?

What are the first kinds of jobs you assign him?

Has the impact of computers really changed your entire employment situation?

Those are just a few of the questions that come to me that I hope our panelists may shed some light on. I am sure you have some questions, and I hope that some of you will make some comments on your own experience.

Fortunately, before Bob Dennard got caught in the tornado, he prepared a paper which he was going to present to you folks today, and we are happy and extremely fortunate that Gene Cohen has volunteered to read the paper that Bob Dennard has prepared.

Now, in Gene's performance here, remember he is reading Bob's paper, so we will give him a chance a little bit later to make a few remarks of his own. And I might also say Bob kept the original and Gene is reading from a rather poor carbon copy, so it may cause him some difficulty.

I am sure Gene is no stranger to any of us. He is a former president of SACUBO. He is vice-president of financial affairs and treasurer of the University of Miami. He holds two degrees from the University of Miami and has done graduate work at North Carolina and Wayne State. He served as president of the Finance Executive Institute of Florida. He's been a consultant for many organizations, one of which was SACUBO, on a project that we had last year. He also has served as consultant to the American Council, and has been on site visitations for NSF and NIH.

If you want to know a lot more about Gene, just grab down the latest copy of Who's Who. Gene is going to read Bob Dennard's paper.

MR. EUGENE COHEN: Mr. Chairman, ladies and gentlemen, after that early part of the introduction, I almost felt I should have brought my shoulder pads. But it is rather peculiar to represent a fellow Floridian who has tornado problems in March and April rather than hurricane problems in September.

I am pleased to have the opportunity of reading Bob's paper this morning. His subject, "Recruitment and Training of Business Management Personnel."

"Our personnel director informed me the other day that recruitment was so rough this year that we should either raise our entry salaries by 50 percent or change our name to Harvard.

"These alternate solutions to the recruitment problem point up two of the major things people are motivated by when looking for a job — money and prestige. Other important factors, as pointed out by Herzberg in his nationwide study of job attitudes, are security, opportunity for advancement and, of course, the actual duties of the job itself.

"Since many more students today than ever before are going on to graduate school and thus delaying their entry into the job market, it is likely that due to this, plus the increased demand for college-trained persons in industry and governmental work, that recruitment of quality staff for business positions in universities will become more difficult each year. This, in turn, means if we are to attract the caliber men we need, we must change our own attitudes about several matters (and we all know how painful change is!).

"First, we must throw away what our personnel director calls "The Old Massah Pay Plan." This he defines as a sequence of thoughts which could only occur in a business manager's mind. They go something like this:

1. I must save money; therefore

2. I will pay people the lowest salary they will work for; and since

3. They will always be in debt to me for having hired them; therefore

4. They will work hard, stay forever and probably doff their hat whenever I walk by!

"I really believe our personnel man is somewhat prejudiced, having never benefited from the training in accounting which most of us have had, and having been too young to have meaningfully experienced the great depression. However, his point is well taken.

"The labor market in which we must compete is a far different one today than it was even five years ago. We must, therefore, update our thinking on salaries (since we can do little directly about the prestige of our institutions), and prepare to pay until it hurts, or else be prepared to see the good men going to industry or the federal government. This applies also, of course, to our current staffs; if we want to keep them, we are going to have to pay for the privilege.

"Since, as we all know, there is only a limited amount of money, we really are going to be faced with making some hard decisions regarding the value of each of our staff members. We must then pay them accordingly. It is certainly a truism that to pay one man double, another must get only half. But by so doing, we may help resolve some of our recruitment and retention problems.

"But we must go further. Going back to Herzberg and the basic needs of workers, we should ask ourselves, are we meeting the security needs of our professional staff? What job security do we offer then in lieu of the tenure given to their counterparts on the teaching staff?

"And what about a promotional ladder. Does one exist, is it well defined and understood? Or have we kept such things a deep secret, basically so that we could hire, fire and promote as we pleased (our personnel director calls this "The Old Massah Employment Plan!).

"And finally, the days when universities could sit back and forget about fringe benefits are gone. We must look toward payment of moving costs for new staff. Group insurance plans on an employer-pay-all basis should be offered. Free university tuition should be available for all university families.

"And finally, sabbatical leave plans should encompass our business office and other professional staff as well as our faculties. After all, don't we all need our batteries recharged periodically?

"Without wishing to be pessimistic, however, I think that even by doing all of the above, we will still be forced to look much harder for people than we have before, begin paying less attention to the area in which a man took his degree, and simply look for good men.

"We then must develop better and more broadly based training for these people. Specifically, I think training should take the following forms:

"1. Course Content Training. Here we might specify certain courses within the university that the individual might take. In general we would be looking to fill in his background of knowledge with material that would help him in his job and would also prepare him for promotion in the given area.

"A specific type of training that seems essential today for almost all business office people, for example, relates to the use of computers and relevant equipment. So few of our people seem to understand just what such tools can do for their area, and even fewer know how to go about making use of computers even if they understand their value.

"2. Leadership Training. Apart from the strictly factual kind of course work, training is needed for all potential administrators, as well as those in administrative positions, in the general area of leadership.

"At South Florida we have experimented over the past few years with two distinct types of training. Both types encompassed upper level and middle management administrators, and both covered a two-week period with daily two-hour meetings.

"The first program was conducted by a psychologist, who reviewed research findings in the fields of communication, leadership style and its effects on morale and productivity and the like. The remainder of the sessions were largely nondirective, in that the participants were encouraged to bring up and discuss as a group, problems which had occurred on the job.

"The second training program was conducted by a business-oriented person who much more strongly directed the sessions and gave his views on how to handle various situations.

"In retrospect, I would say that both sessions were very helpful to our administrative staffs, but both from different points of view, as you might imagine.

"A third type of training, which seems quite interesting, is known as "Sensitivity Training," or as some of my psychologist friends have dubbed it, "Instant Psychotherapy." It is based on the old maxim, "To know others, you must know yourself," and the goal of such training is just that, to help administrators to understand themselves.

"For those of you who are interested, a good description of this method is given by Alfred Marrow in his book "Behind the Executive Mask."

"3. Two other kinds of training are also needed, in my opinion, in addition to the above. These should be used sparingly, however, since they are costly. For those young administrators who show the most promise, however, I recommend the following:

"(a) An annual visit to several universities in other parts of the country, the purpose being to acquaint these people with others in their field, to help them see how others have faced and solved administrative problems similar to their own, and finally, to broaden their horizons, keep them from getting in a rut, and help them to generate new ideas; and lastly,

"(b) I think we should institute informal apprentice-type training for our more capable youngsters. If each of us, and each of our major officers took it upon ourselves to devote some personal attention both on and off the job to a promising young professional person, I feel the efforts would be greatly worthwhile.

"We know, from Cohen's studies of honors programs in universities, that personal attention quite often is the major ingredient in stimulating a man to go on to the doctorate, or in other ways to succeed in his field. For us in the business areas not to recognize and make use of this successful training method seems a great waste.

"In closing then, I would like to point out as I did earlier, that all we need to do, in order to cope with the problems in this area, are to change our attitudes. And surely we can live up to that classic definition of the university business manager — one who is too bright to be president and too flexible to be a dean."

MODERATOR READ: Thank you, Gene, for pinch-hitting and we will thank Bob for a fine paper. For those of you seated back in the door, there are half a dozen or more seats right up here in the amen corner, so if you want to come forward, you are welcome.

When Howard Belcher, night before last, commented on the very attractiveness of our Texas badges here that our hosts have provided for us, and further, you recall he said it was the smallest map of Texas that he had ever seen, I was reminded of the Texas story. It is not what they call one of these Aggie stories. In fact, I am not exactly sure what an Aggie story is. But I have heard a lot about them since I have been in Dallas.

I read this story in the ***Wall Street Journal***, so I suppose it is all right to tell it. It seems that two Texans were talking and doing a little bit of bragging about their riches and land holdings.

The first Texan said, "Well, I got a pretty nice place out in West Texas. In fact, it is so big that when I get in my jet airplane to fly around and just look at the boundaries, I have to stop and refuel twice before I get all the way around."

And the second Texan said, "Well, I own a nice little bit of Texas, but nothing like that, nothing like that at all, nothing that big."

The first Texan said, "Well, just how big is your place?"

And the second Texan said, "Oh, I have only about 50 acres."

And the first Texan said, "I have got more than that in my front yard. By the way, where is your 50 acres?"

He said, "Downtown Dallas."

Our next panelist is not a member of SACUBO, although he's been a friend of ours for years and has taken part in our meetings. He holds a very important job with a very important national educational association.

Over the period which I have been involved in educational administrative work, I have made it a point or had the privilege of attending the meetings of the American Council on Education, the American Association of Higher Education, and Land Grant College and State University Associations, as well as our own National Association. I think by and large and on a consistent basis, the American Council on Education puts on some of the better programs that you will find at any national meeting.

I find that it is an excellent opporunity to meet with administrators in the academic field, and really get some background, and it has been of tremendous value to me.

Fred Vorsanger, who is the treasurer and business manager of the American Council on Education, is largely responsible for keeping their meetings running in good order and on schedule.

He is a graduate of the Indiana University with a Master in Business Administration from George Washington University. He's had public accounting experience in Chicago with the firm of Ernst and Ernst, and served for six years as internal auditor at Purdue University, for the past seven years he has served ably as business manager and treasurer of the American Council.

The American Council is making some tremendous strides in training of administrative personnel in higher education. They have created some intern programs about which maybe you have heard.

They have taken over the workshop of the type that Harvard used to carry on for new presidents, and I think that it has been expanded to cover not only presidents, but to cover academic chiefs and business officers.

We are happy to have Fred with us this morning. He is going to make some comments on the American Council's position and what is happening in those areas of training. Fred.

MR. FRED VORSANGER: I want to do two things this morning. One, I want to tell you about our academic internship program for administrators; and two, I want to tell you about some of my own ideas for recruitment and training of business officers.

As most of you know, the Council received a grant in late 1964 of $4,750,000 from the Ford Foundation to be used over a five-year period for an internship program in academic administration.

The purpose of this program is to strengthen leadership in American higher education by enlarging the opportunity and improving the quality of prospects for key positions in academic administration.

Specifically, the program is intended to identify qualified individuals, select the most promising and afford them an experience designed to develop their potential for effective performance in administrative positions directly related to academic areas.

We are now in the second year of the program. During the first year, we selected 23 individuals. The second year is beginning now and for the second year, we have picked 44.

College and university presidents are asked to make nominations. Each person nominated should either be a member of the faculty or staff of the nominating institution or someone not currently employed by an educational institution whom the president considers to be an outstanding prospect.

The preferred age for nominees is between 30 and 40 and should have some administrative experience or have demonstrated a real potential in the broad field of administration.

The administrative potential of a faculty member can be demonstrated if he was a committee member of some of the campus committees, or if he shows any kind of leadership whatsoever in shaping administrative policy or opinion on the campus.

The emphasis for the first two years of the program has been on the development of academic officers. It was expected, therefore, that nominees would hold a doctorate or a generally recognized terminal professional degree such as an LL.B., M.D., et cetera — and will have been a faculty member for a minimum of two years.

It is hoped that persons currently specializing in certain administrative positions in the business office, student affairs office, the college or university development office, will be eligible for internships beginning with the third year of the program. This will be the 1967-68 program.

During the internship the participant receives a stipend equal to the compensation received from his own institution during the academic year but not more than $15,000. In addition, travel costs and moving expenses are paid. Obviously you can see why this is a very expensive program.

After nominations have been received and reviewed, a selected number of applicants are chosen for personal interviews. Regional committees made up of college and university presidents and executive officers of the Council interview the applicants and final selection is made.

After selection, the interns are expected to do certain assigned readings in the broad field of academic administration, both prior to and during the period of internship. The year's program starts with a seminar at which problems of administration in higher education are discussed by leaders in the field.

The program ends with a concluding seminar in Washington, D. C., with emphasis on the relationship of the federal government to higher education. An analytical report of some significance in the field of academic administration is required during the year from the intern.

Each intern is assigned to a host institution. The host institution assumes the obligation to involve him in administration at the policy level as well as the operational level. The intern is closely associated with the president, vice-president for academic affairs, vice-president for business affairs and other major institutional officers.

We realize that no two colleges and universities will provide an identical experience. Nevertheless, a common pattern can acquaint each intern with the main emphasis of institutional decision making. The experience should be an appropriate balance between participation and observation.

The president of the host institution usually serves as the intern's mentor throughout the year. By the way, each intern is expected to return to his home institution for the academic year following his internship unless other arrangments are agreed upon.

Now, in reviewing the program, I thought it might be of interest to you to describe some of the characteristics of the interns who were accepted for the first year of the program.

1. The sample of institutions that responded to the invitation to nominate a candidate was not in all respects representative of the ACE membership. Specifically, universities and public institutions were over-represented in the sample of nominating institutions, whereas liberal arts colleges, private nonsectarian institutions and Protestant-affiliated institutions were under-represented.

2. Compared with the typical faculty member, the typical candidate is more likely to be trained in the field of education. He shows a greater interest than does the faculty member in business, civic and religious activities; reading for pleasure; sports; and other recreational pursuits. He shows fewer scholarly interests and intellectual competencies than does the typical faculty member. In general the typical candidate appears to be more self-confident, outgoing and socially active than is the typical faculty member.

3. Those candidates who are selected as Fellows are more likely to be employed in universities than are the candidates who are not selected. The winner's institution also tends to be more selective, to be larger and to have higher per-student operating budgets than do the nonwinners' institutions.

4. Nearly nine out of ten of the winners in the program hold the Ph.D. degree, whereas less than half of the nonwinners hold the Ph.D. The typical winner also has a higher salary, more publications, and a higher undergraduate grade-point average than does the typical nonwinner.

This concludes the review of our present program. Its purposes, I believe, are being fulfilled. Internship programs in general are looked upon as one of the major sources for training of management personnel.

Many of you may have seen a front-page article appearing in the ***Wall Street Journal*** on February 18, 1966, entitled "Learning to Lead — Foundation Programs Attempt to Develop More Future Leaders."

This article reviewed the many programs now available in industry and education for leadership training based on the internship approach. I believe it is a good approach and one that has exceptional merit for the future training and identification of business office personnel as well.

This then brings me to the second part. I want to give you some ideas on how I think we can increase the flow of business management personnel in our colleges and universities.

This talk comes at a good time, because we are working on the problem at this time. However, we are working on this from the viewpoint of the smaller institutions, trying to identify people who are interested in becoming business officers with institutions of enrollments of 500 to 1,200 which are considered small institutions.

However, I feel that just with certain modifications this type of program could be extended right across the board. Just to give you some ideas on it, the program would have four objectives: (1) the identification of good prospects, (2) the provision of a worthwhile internship experience, (3) additional workshop and institute training, (4) the building up of a roster of qualified young financial officers.

There are few regional or national mechanisms for the identification of promising young financial officers. Heretofore, only the volunteer or the individual uninterested in a strictly academic career, but dedicated to alma mater, emerged to fill any business management vacancy on the campus. Presidents, as well as business officers, will be asked to spot and recommend likely candidates regardless of their present affiliation. It is hoped that this will help bring into the field qualified individuals not now employed in colleges and universities.

Obviously, the basic foundation of the proposed program is the internship. The interns would particpate in a year's program which would expose them to the fundamentals of college and university business management. The interns would be assigned to outstanding business officers at host institutions located throughout the United States.

The internship itself would carry a stipend equal to the current salary of the appointee, plus travel and moving expenses. After the interns had been chosen, we would follow a similar procedure that we do in our academic internship program at the Council, certain readings, opening seminar, and we would hope that this opening seminar would be in conjunction and in cooperation with the Council's Academic Administration Internship Program.

During the ensuing year of the internship, each intern would be visited on his campus by a member of an advisory committee of business officers discussing with him and his mentor experiences on the campus and how this experience could either be enriched or changed.

After the completion of the internship they would return to Washington for a one-week seminar on the relationships of the federal government and higher education.

The second phase of this program would be to give individuals now working in college and university business offices an opportunity to attend and participate in the on-going programs at the University of Omaha and the University of Kentucky.

These institutes and workshops, which concentrate on the fundamentals of college and university business management, have made a great contribution to the training of many of our top business officers today. Nevertheless, I believe these institutes must be expanded to encompass the more professional and managerial aspects of the business officers' job; namely, organization, operational planning and relationships with the governing Board, faculty and students.

It may be that additional institutes must be organized in connection with those at Kentucky and Omaha but expansion of their present programs would be helpful.

We have found that many outstanding young men who have the real potential to be good college and university business officers are working in institutions that just can't afford to sent him to Omaha or Kentucky for a week. And I think this can come about, that with additional foundation grants, we can send these boys to these institutes for further training.

Last year, as Harold Read mentioned, the Institute for College and University Administrators, formerly located at Harvard University, became a part of the American Council. Heretofore, the Institute sponsored and developed successful programs for presidents and academic deans.

Its director, Dr. David C. Knapp, has been working with a committee of the NACUBO to put together a program each year for the chief business officer of an institution.

They are planning on a five-and-a-half-day seminar to be patterned after the way we hold our Institute for college presidents and academic deans; the case study method.

The first day, decision-making structures in academic institutions.

The second day, organization for executive leadership in academic institutions.

The third day, operational planning.

The fourth day, problems of organization and supervision in the business operations of the academic institution.

And the final day and a half, the administration of service functions. In this area, we would be concerned mainly with relationships of the academic business organization with faculty members, students, and external organizations. One-half day would be devoted to each of these groups.

I would be remiss if I didn't mention the very fine training programs for business office personnel carried on by many of our large institutions. Time does not permit an elaboration on all of these, but I want to particularly mention Purdue University, the University of Michigan and Harvard, all of which have outstanding programs to train young business office personnel.

They have seminars and internships within the institution, and if any of you are interested in how they do it, write to the chief business officer of these institutions. I think they will give you some excellent ideas.

Many persons have asked me what, in my opinion, is necessary to encourage young college graduates to go into college and university business management careers. My answer in one word, "money."

I believe the chief business officer on our campuses today is underpaid. There are some exceptions, but these are few. The latest salary information available, Report on Salaries of the NEA of 1965-66, which was released last week, further strengthens my point. The median business manager's salary falls well below that of the president and chief academic officer.

I have prepared a schedule. I will just read the highlights of it. I thought you'd be interested to know the lowest median, and highest salary paid a chief business officer in the following institutions, and how it compares to the president and chief academic officer. I will do this quickly.

(The following salaries paid business managers by type of institution and enrollment for 1965-1966 are included, although not read in toto by Mr. Vorsanger.)

Public Universities; enrollment, 10,000 plus; lowest, $10,000; highest, $25,500; median, $15,125; presidents' median salaries, $30,031; academic vice-presidents' median salaries, $24,500.

Public Universities; enrollment 5,000-9,999; lowest $9,688; highest $23,200; median $14,750; presidents' median salaries $27,000; academic vice-presidents' median salaries $20,667.

Public Universities; enrollment under 5,000; lowest $8,940; highest $18,500; median $12,875; presidents' median salaries, $21,438; academic vice-presidents' median salaries, $19,375.

State Colleges; lowest $5,900; highest $21,000; median, $12,028; presidents' median salaries; $18,711, academic vice-presidents' median salaries, NR.

Private Universities; enrollment over 5,000; lowest $11,800; highest $36,500; median, $18,333; presidents' median salaries, $31,250; academic vice-presidents' median salaries, $25,312.

Private Universities; enrollment under 5,000; lowest $7,600; highest, $21,000; median, $14,250; presidents' median salaries, $30,150; academic vice-presidents' median salaries, $20,281.

Private Colleges; enrollment over 1,000; lowest, $7,000; highest, $29,000; median, $12,458; presidents' median salaries, $20,471; academic vice-presidents' median salaries, $15,550.

Private Colleges; enrollment 500-999; lowest, $4,875; highest, $18,740; median, $10,333; presidents' median salaries, $17,000; academic vice-presidents' median salaries, NR.

Private Colleges; enrollment under 500; lowest, $5,000; highest,

$17,800; median, $8,250; presidents' median salaries, $12,861; academic vice-presidents' median salaries, NR.

In a recent executive compensation survey for 13 selected industries it was found that an executive with the type of responsibilities that the business officer has normally is paid 70 to 75 percent of that of the chief executive or president. I believe that this would be a good rule to follow. The facts show we have a long way to go to meet this goal.

Furthermore, if the chief business officer's salary does not keep pace then the salaries of the men under him will also be depressed. No matter how often some may talk about public dedication, pleasant working conditions, tuition remission, et cetera, money is still the best recruiting tool.

Mr. George S. Odiorne, in an article in the February 1966 issue of Business Management, remarked:

> Some psychologists maintain that people seek other rewards besides money. However, I haven't been able to get those same psychologists to expound their theories at a management conference for less than a $200 fee. As one wag put it, in motivating people, 'money beats whatever comes second best by a substantial margin.'

In summary, I would like to give you a bird's-eye view of the typical chief business officer. This was obtained, with the help of a computer, from a national survey I made a year ago.

He is employed by an institution with an enrollment of about 4,000 students, handles an operating budget of about nine million dollars per year and operates a physical plant worth 21 million dollars. He is called a business manager and has an annual salary of $14,000. He is paid less than the chief academic officer, holds no academic rank and participates in all the institution's usual fringe benefits.

He is 48 years old, holds a B.S. degree with additional work towards a Master's. He has been in his present position for ten years and came to this position from within his institution or another institution but via the business office. He reports directly to the president, is not a member of the governing Board, but attends all Board meetings. He supervises eight individuals that report directly to him.

His prime responsibilities are: accounting, purchasing, physical plant, budgeting, bookstore, nonacademic personnel and investments. He has secondary responsiblities for long-range planning, residence halls, student unions, legislative relations and contract research.

He has little or no responsibility for athletics, fund raising or the data processing lab. He attends three professional meetings a year, makes one prepared talk a year, belongs to a civic club and spends about two weeks off the campus on institution affairs.

There is your bird's-eye view, and you might want to see how you compare to that. It is a pleasure to be with you this morning, and I will be glad to answer any of your questions.

MODERATOR READ: Thank you, Fred. That was very fine. I wish to apologize. I certainly had no intent to imply that you only worked one day in the year. But even though we are in Texas and in this short time, this idea of talking big wears off on us. I didn't realize you wanted to accept responsibility for everything the Association was doing.

Before we get to the question period, I'd like to do just two things. First, George Kavanaugh is our chairman for Professional Development, and as you all know, has been identified with the Kentucky School Institute since its inception. I'd like to give him just a minute to make a comment or so concerning our subject either from the viewpoint of the committee, or from the viewpoint of the Institute.

Secondly, I want to give Gene Cohen, who read Bob Dennard's paper, a chance to make a few remarks on his own.

First, we'll hear from George, then Gene.

MR. GEORGE KAVANAUGH: Harold this will be a brief statement because I think you were interested that I be present to fill in, if necessary. I think our two speakers have done a good job.

The subject has been very well covered, both in the papers and the presentation by Fred Vorsanger on the work being done through the American Council on Education. But as the chairman of your committee on Professional Development, and speaking for the members of that committee, we would be interested to have suggestions from our membership as to what stimulation our committee could make in the field of professional development.

We all need to improve our abilities, our training, so that our services may be all the more effective. The institutes to which Fred has already referred, one at the University of Omaha and the one at the University of Kentucky, are contributing much to such a program.

In fact, we are very proud of what the University of Kentucky Institute has done through the cooperation of this Association. As you know, SACUBO does support it wholeheartedly, not only through scholarships, and you will hear more about this when Paul Nestor, who is chairman of our committee, will make his report tomorrow — I shouldn't steal his thunder.

In addition to scholarships, there is a grant from our Southern Association of $500 to assist in the promotion of this service or endeavor. This last year I might say that the University of Kentucky was able to conduct the Institute on Educational Business Management on practically a break-even basis, only a negligible loss.

One suggestion for the Committee on Professional Development has been made to me while I have been here, and that is that the committee might, through our Association, promote the publication through our SACUBO news of the outstanding work of business officers — new innovations and new projects, the application of new ideas in the field of business management. We should urge or encourage our members to make their contributions at their own institutions in one field or another, efforts which have been successful, known to our Association members. Creative effort in educational business management would be given recognition in the publication of those papers.

If this idea should be promoted well, if our ambitious people are willing to give time to write the papers, all of us would be greatly benefited.

MR. EUGENE COHEN: Well, I now know what they mean by equal time! I did jot down an idea and a note covering several things that in this area have been of particular concern to me personally. I thought I might just say as an analogy, and possibly as a sop to you folks who couldn't get into the physical plant and planning conference because of the lack of space, I might make a comment that might be worthy of some remembrance.

I thought I'd mention for a moment parking, because parking certainly belongs in this problem. All of us are dealing with that problem, and whether we are dealing with it effectively I don't know, because the geography and the complexities are so different in each campus.

I feel that parking is not a problem you can attack only by analyzing the number of car spaces you have on your campus. During the last year, I have tried to approach the parking problem on a completely different basis.

I started back with curriculum to see the courses that we were offering in our university. And from curriculum, I went to sizes of class for each of the various courses that we were going to offer, to try to find out if the professor decided that he was going to teach a class of 20, when the right size, every factor taken into consideration, might be 32.

Then from class size we moved into class scheduling and a reasonable distribution of the teaching program throughout the hours available. And then behind this, we put the rest of the working force to determine the total needs for parking. Then we looked at the available space we had, and we came up with the true parking problem.

And we found it was not nearly as critical as the problem we thougnt we had to deal with. I think the problem is the same with recruitment, because we are dealing again with demands, we are dealing with some of the things that already exist.

I don't think recruitment can be isolated only as helping to solve how you bring people to the campus. Recruitment results primarily, I presume, in most cases these days, from expansion and increased workload. Recruitment is also created by such mundane things as retirement, people leaving you for better jobs, some people having babies, a lot of other factors which make up the total employment problem at the professional level.

And I believe that we ought to look in some depth at what we are doing because what we are doing helps to create a recruitment problem. To me, every time I lose a very fine potentially strong business officer in our organization, I like to look behind the loss.

In many cases we have failures which we should try to isolate in order to bring them into focus and see if in some way the people that we have started shouldn't have stayed on with us and become middle management and eventually our senior managers.

The one thing I have never been able to cost, and we have computers as all of you do, is the true cost of turnover. This is a true intangible and almost defies any kind of a calculation. I have seen some people try, but I do believe that the cost of turnover, if it could be isolated, would represent enough money to make some significant improvements in patching up your present employment structure. You would find that you could spend the same money and get better results.

We are trying to make efforts in this direction.

The other thing I would like to say is that as business managers, are we giving enough encouragement, I mean really encouragement and attention, to the people who work with us and under us?

I do not feel that we can honestly recruit people into an environment where basically you find them a room or a desk or a situation, and this is where they are turned loose to make their way. I think people need to have a team approach. I think they need to work in an area of friendship and cooperation, and on campuses where they are not to be afraid to have an idea.

I think the worst thing we can do is to make sure that people feel that we know all the answers. This is impossible! Every time you hire a 24-year-old person with a 99-percentile grade, he is bound to be smarter than most of us. But if we know how to manage him, if we use our experience along with his genius, we are building an effective team that will produce for our institutions. And if we are unselfish about it, frankly we will grow too.

I think the problem of recruitment is tremendously important. And the one thing I think we could all do, those of us that are sitting here this morning, is to bring our associates to this convention in the future.

And I certainly recommend, as you think about the problem of recruitment, that you think about yourself, think about the loyal people that have moved your institution along in the business office to the point you are today, and use these people as your steppingstones to the building of the future of your institution.

No longer can we sit and say, "Well, I'd like to have a junior accountant, but I think we need the English professor more."

You must have balance in the business office, and you have to be aggressive in trying to develop the positions you need to effectively meet your side of the responsiblities so that the total institution is soundly productive. Thank you.

MODERATOR READ: Thank you, Gene, for those words of wisdom. Thanks to the panel and thanks to you for participating.

(Whereupon the meeting recessed at 10:15 o'clock a.m.)

PANEL F — PHYSICAL PLANT PLANNING AND MAINTENANCE

MODERATOR MR. FRED BOSCH: Ladies and Gentlemen: It is indeed a pleasure to see so many of you up so early this morning after a night on the town of Dallas. Since you have come to this panel I know you are interested; otherwise, you would have gone to my good friend, Harold Read's panel on the Recruitment and Training of Business Management Personnel. I understand that on this panel they will discuss the best ways to steal employees. I was also informed that a couple of individuals have application blanks in their pockets.

We are indeed fortunate in having three gentlemen who are well qualified to discuss Physical Plant Planning and Maintenance. I know that each of us over the years has had experiences on the topics which will be presented by our panelists.

Our program has been developed in three logical steps. The first presentation will cover the planning of a campus development program. Actually this will be a report on Southern Methodist's plan for their campus development. The second presentation will discuss the planning of a campus or university building, and the final discussion will cover the development and preparation of a Maintenance Budget plan.

Our first speaker was born in Decatur, Alabama, March 26, 1926. He was educated at the University of the South and Auburn University. He received his Bachelor of Architecture from the latter university in

1951. His architectural experience has been in Alabama and Texas where he is a registered architect. He is a member of the Dallas firm of Collins, Dryden and Associates. He holds memberships in the American Institute of Architects and the Texas Society of Architects.

May I now present Mr. Horace E. Dryden who will present a report on Southern Methodist's plan for campus development.

MR. HORACE DRYDEN: "Technology, urbanization, international causes, and national ambitions have led us as a society to give a special place to higher education. Whether as a requirement for survival or simply as a means to the next plateau onto which a maturing civilization must scramble, we have committed ourselves to using colleges and universities for training all our professionals, conducting much of our pure research and providing the main body of community, state, and national leadership.

The physical forms which house (and will house) the process of education are self-evidently important. The size of the problem we face in designing these facilities is not common knowledge. Between now and 1975, we will have to duplicate (quantitatively) all the campuses which have been constructed from 1636 to 1963. This analogy is perhaps the quickest way of grasping the dimension of a professional challenge which imposes the highest of responsibilities on this generation. We know that institutions are long lived. How well we meet the task will be the measure by which posterity will judge us."

This foreword by Richard P. Dober, Architectural Consultant from Cambridge, Mass., in his 1963 edition on Campus Planning, describes the conditions which make campus planning so critical an activity in the decade ahead.

One of the most serious problems facing many state institutions is the lack of a definitive target for maximum growth. Ohio State, for instance, by law must provide for any high school graduate who seeks admittance. Fortunately, private schools such as Southern Methodist University, do not have to concern themselves with this factor, although the degree of control the Institution has in acquiring resources for development is no less desperate an issue. The private Institutions can establish goals and limitations with respect to size of student body and faculty and thereby tie down some ground rules affecting the size of its physical plant, although, more often than not, these goals are revised at some later date.

In 1963 the Board of Trustees unanimously adopted a master plan for the academic future of Southern Methodist University, which established an enrollment limit of 6,000 full-time undergraduates and 2,000 full-time post graduate students. This capacity, anticipated to be reached by the academic year 1968- 69, is thought to be " the critical point beyond which a radical increase in present resources and facilities would be required and an entirely new conception of the nature of undergraduate education in this University would have to be considered."

By evaluating these enrollment projections in terms of what it means to physical plant expansion, we can pretty well determine the pattern of land use by 1970. However, it seems prudent at this point to disregard the specified enrollment limit in deference to the possibility of future policy changes and take a long range view of perhaps 30 years in advance in order that the planning may become a process to seek out conditions which will affect the future of the Campus and relate these expectations to immediate and short range decisions. This process affords an appraisal of such things as land acquisition, assessment of the total future costs of campus operations, long range recruitment of faculty, and an advanced assessment of when and how to launch major fund drives.

Consideration for open space has become as important as the density areas, and permanent easments can be established for future roads, utilities and landscaping. The simple action of tree planting becomes a major decision without some guide lines to follow. Long range planning can place proper restraint on short term "near-sightedness," so that buildings will not be located to meet an expedient need, and find at a later date that the building was misplaced with regard to the long range benefit of the Institution. Although the acquisition of the desirable land contiguous to University property appears to be an insurmountable hurdle, the probability is that the Institution will outlive its neighbors, and that unfavorable circumstances are subject to change in the future, or perhaps alternative choices can be made.

S.M.U. has had two Master Plans prepared in the past. The Bremer W. Pond Plan was prepared in 1924, and in 1947 Hare and Hare, Landscape Architects and City Planners from Kansas City, Missouri were retained by S.M.U. Although these plans were artistically stimulating, both eventually proved ineffectual because of their failure to predict the tremendous growth potential of the University and to satisfactorily anticipate the problem of traffic.

The University in 1950 embarked on a ten year building boom in which half of the present structures on the campus were built. Subsequent construction projects have been located along with these buildings, primarily in the inner core of the campus (bounded by Mockingbird, Hillcrest, Daniels, and Airline), and have consequently created an extremely compact situation. It is to be noted that many of the new structures being contemplated for the short range future are proposed to be located in areas now used for parking or internal streets. As a result, there is not enough land available within this area to replace existing parking or to provide for the additional parking generated. This condition will require a serious review of basic policies relative to traffic and parking on the campus and the immediate adoption of a Traffic Circulation and Parking Plan.

With this preamble, I would like to show you a series of slides which will demonstrate in broad scope the long range view, as we see it, of Southern Methodist University land use in the future year of 19xx and how it relates to shorter range objectives.

S.M.U. stands today with Dallas Hall, its first building, built in 1915, the dominant feature of a central single axis plan. In this map, the white area designates the property owned by the University at the present time. The light shaded portion is privately owned property and predominantly residential in character.

The major traffic arteries surrounding the University are... North Central Expressway on the east, Hillcrest Avenue on the west, Mockingbird Lane on the south, Yale Boulevard leading into the campus from the Expressway, Airline Road which runs north and south through the campus, and unfortunately must make two 90 degree turns, and Daniels Avenue on the north.

We have ascertained by recent survey, that 57 1/2 % of the traffic entering the campus comes from Daniels Avenue or Airline Road. We feel that the traffic should be facilitated on these two streets with a more efficient flow, and are therefore recommending that Airline Road be constructed as a divided thoroughfare.

Further recommendations call for Daniels Avenue to be constructed as a divided roadway to major thoroughfare standards from Hillcrest Avenue with a jog into University Boulevard, and extending to Central Expressway.

This street would serve as the north boundary of the campus core as well as providing access from Central Expressway to the campus, and would also provide a through route for University Park residents to Central Expressway. Much of this traffic now is going through the campus on Dyer Street tangential to the main axis, Bishop Boulevard. This is a circulation problem, created by the opening of the expressway in 1953, to which the campus has never really adjusted.

Bishop Boulevard has always been considered the entrance to the campus; however, there are more cars approaching S.M.U. on Yale Boulevard at the present time than on Bishop and this approach offers very little in the way of aesthetic features.

The inner-campus open green space in front of Dallas Hall, and the divided parkway on Bishop Blvd., offer a longitudinal vista down the long axis of the campus. Since Yale Boulevard's eminence as a major entrance into the campus, it is considered the likely secondary axis along which future growth should develop with provisions for additional open landscape space.

The existing academic campus or those buildings which are used for teaching purposes are shown in blue on the next two slides. The next slide shows the area allocated for future growth which, unfortunately, is dissected by Yale Boulevard. In order to establish a more desirable land mass with flexibility for future development, it is recommended that Yale be, in effect, pushed apart to form a loop around the north and south of this tract and provide additional green spaces along North Central Expressway.

The locations for housing on the Campus are shown in yellow on the next series of slides. The women's quadrangle, the Theological School. The men's quadrangle, Boaz Hall, which is a good example of "near sightedness" in that its site is so much better suited for academic use, was originally designed as a men's residence hall, and now is being used on a temporary basis as a women's dormitory until new facilities can be provided for them. The girls' sorority complex surrounding the city park, which is a section of the campus considered highly desirable for not only the sororities, but the fraternity houses and future residence halls as well. Married student housing and graduate and faculty housing can be a further consideration in this area east to the Expressway, including recreational facilities such as tennis courts, parks, and play areas for the residents. Much of the traffic is generated from these activities, and with proper parking and depository facilities for the automobiles it is hoped that we can reduce the congestion within the academic area of the campus.

The property north of Daniels Avenue and east of Airline indicate the areas which are recommended for development of parking facilities. Additional parking is contemplated on the southern portion of the Campus to alleviate congested conditions around the Theological School and the men's dormitory complex.

The sections indicated in orange represent those facilities allocated to intercollegiate athletics, intramural athletics, and the Physical Education Department.

The remaining land shown open on this last slide, indicates the area of the existing Central Plant, Service and Maintenance, and Building and Grounds Department which is expected to grow in parallel with the new academic and housing portions of the Campus.

This colorful montage represents a long range pattern of land use, which if accepted, can offer proper guide lines for the development of the campus plan anticipated for the year 1970.

In the 1970 plan a parking facility is shown (in red) inside the perimeter traffic artery in the northeast corner of the campus. This is an attempt to deposit the automobiles off the campus area yet close enough for pedestrian traffic to and from the buildings. This also provides direct access away from the campus to the busily travelled expressways and other major streets. In the long range plan this area is ultimately allocated to building sites. At that time it is anticipated that additional parking will be provided to the east of Airline Road. Consideration should then be given to providing underground parking under the green plaza area in front of Dallas Hall. The topography is conducive to this scheme, and we feel it is economically feasible to consider at least one and perhaps two levels of parking accommodating approximately 700 cars per level. This facility, in the heart of the campus, would still maintain the landscaped green area on the surface.

You will notice that on the north side of Daniels Avenue we have recommended a program of land acquisition for parking facilities for the northern part of the campus. The same is true on the south end of the campus adjacent to Bishop Boulevard. The lower part of the Theological School Complex is shown for parking (in red) on this drawing because as a temporary measure we are recommending that this vacant piece of property be allocated to parking although eventually it will become a building site.

The fraternity houses which are (at present) located in the central portion of the eastern side of the inner core are beginning to outlive their usefulness and it is recommended that, as their needs arise for new facilities, they move to the location designated for future housing. The newer fraternity houses are located to the east of Airline Road in the area designated for future open green space and park. The long range development of this facility will only be possible when it is economically feasible to move these houses. Underground parking beneath this park is also a possible future consideration.

The space allocated for athletics and recreation is pretty much in line with the future plan. A great segment of the area that should eventually be allocated to Athletics is privately owned property just west of Central Expressway.

The Central Plant, Service and Maintenance, and Buildings and Grounds Departments have already begun to extend eastward, paralleling the indicated future direction of University growth.

In closing I would like to quote from the Epilogue of a book on Architecture at S.M.U. entitled "50 Years and 50 Buildings" by Dr. James F. White. "In the past fifty years, fifty buildings have been erected by S.M.U. There is no reason to expect that this rate of building will diminish in the future, though space will be increasingly crowded. It is greatly to be hoped that this space, not the least of the University's resources, will be utilized both efficiently and so as to create the best possible environment for the educational process. This means that aesthetic standards must be considered not mere luxuries but a part of the formation of the ability to discriminate, so much assaulted in our culture, and therefore even more a part of the fight for the truth in which the University sees its highest calling."

THANK YOU!

MODERATOR BOSCH: Thank you, Mr. Dryden for a most interesting presentation on Southern Methodist's plan for campus development.

The second speaker on our panel is a person most of us know and needs no introduction. However, for those of you who do not know him, he is better known as Chuck.

Chuck was born in Johnson City, Tennessee, and reared in California. He attended Stanford University where he was noted for his prowess on the gridiron under Pop Warner. Upon graduation (B.S. in Commerce and Business) he became an assistant football coach at the University of Mississippi in 1930. He continued in this position until the fickle fortunes of football underwent a change in 1941. During the war years he was employed in defense industry. In 1945, he came to the then Mississippi Southern College as Financial Secretary (Comptroller to some folks) and has continued in this position.

He has a lovely wife, Evelyn, and two daughters, as well as two granddaughters — no football players yet.

It is my pleasure to present my good friend, C.O. Smalling, who will discuss the problems of Planning a College or University Building.

MR. C.O. SMALLING: It has been apparent for some time that planning, constructing, maintaining, and operating University facilities is big business. An institution that is spending millions of dollars in the next few years cannot afford not to have an organization to see that projects are well conceived, well planned, and well built.

We have heard architects criticized for their shortcomings in connection with their work on college and university buildings. All of us have had experiences which have at times made us critical of the profession. However, I have reached the conclusion that a goodly share of the fault lies with the universities. In too many cases too much responsibility is given to the architect and not enough responsibility is assumed by the school. In too many cases the architect is not given the information necessary to design a building to properly serve the functions that will be housed there. In too many cases the staff and operating personnel are not given the opportunity, or sufficient time, to properly review preliminary drawings before the architect is authorized to proceed with working drawings. In too many cases final plans are put out to bid without careful checking by qualified university personnel.

The architect does some wonderful things. However, an architect should be given a carefully worked out program of requirements. His work and progress should be carefully reviewed at proper times during the planning stages. Speaking bluntly, the school should get what it wants and needs with the considerable help of the architect, and not largely what the architect feels the school should have. This places a lot of responsibility on the school because intelligent programming, critiques, and architectural and contractual assistance are the results of organization and proper use of qualified staff.

No matter how good the architect or engineer may be, he cannot know, and should not be expected to know, how to plan a building to serve a large number of specialists without considerable help and assistance from the specialists themselves. The real problem is how to transmit literally hundreds of messages from the university staff to the architect conveying the staff's wishes, needs, likes and dislikes, interests, theories, problems, and a multitude of other items in such a way that these items can be translated satisfactorily into concrete and steel. The better the transmission of information is accomplished from university staff to the architect, the better the building will serve its purpose. The success of the building project, and the owner's satisfaction, may well be determined by how well the transfer of need and intended use by the owner is made to the architect.

A standing committee working directly to the president is a must. Such committee should have stability by including at all times the Director of Plant Development, Director of Plant Facilities, Dean of University, and Business Manager. Addition of the proper academic dean is determined by the academic area affected by the construction. A subcommittee, or project committee, staffed by people who are academically qualified to use the specific building answers the need for ideas and information at the basic level.

These committees are so oriented that the result of their activity and study results in a 'written program.' This program can be prepared before the architect is selected. Attention should not be given to the shape or form that the building will take, but to the size, use, special requirements, and special features desired in the various components that will form the building. In order to get approval of their proposals they must have clearly in mind how they intend to use the facility.

The architect studies the written program. He visits the site, receives information on all available utilities including their location and characteristics. This trip is more meaningful to the architect if taken after studying the requirements of the project.

The architect is required to submit his work for review at three different stages—schematics, preliminary drawings, and working papers. His schematic drawings should be in accordance with the program requirements and he should make several studies of the problem in an effort to arrive at a solution satisfactory to himself and the university. Several meetings are involved before general acceptance of one scheme is attained.

Architect then proceeds with preliminary drawings-- floor plans, elevations, and cross sections as a further development of the approved schematics and in sufficient detail to show clearly the nature, size, and architectural concept of the building. He should at this time submit specifications on general types of materials and equipment for each trade classification and also submit a carefully prepared cost estimate.

Approval of preliminary plans calls for working drawings and specifications, all to be in harmony with the preliminary drawings which are based on the written program.

Final documents including instructions to bidders, bid proposal forms, scope of work, and other legal papers are prepared by the architect.

The project has now been properly planned and ready for construction, but let us cover a final point-- demand that your architect present to the university a final set of drawings and specifications after completion of the building known as "as built drawings and specifications." The best laid plans are subject to "change orders" and each and every one should be recorded.

MODERATOR BOSCH: Thank you, Chuck, for a most informative presentation for planning a campus building.

Our final speaker of the day was educated at North Carolina State University receiving a B.S. in Civil Engineering. His experience includes service with the North Carolina Highway Commission, the National Parks Service and several commercial engineering firms, including one of his own. During World War II, he served with the Civil Engineering Corps of the U.S. Navy. In 1949 he became associated with his Alma Mater as College Engineer and Chairman of the Campus Planning Committee.

Our speaker is a registered engineer in North Carolina and Vermont. He is currently president of the National Association of Physical Plant Administrators of Universities and Colleges, a past president of the Southeastern Regional Association of Physical Plant Administrators, a member of the National Society of Professional Engineers and the North Carolina Society of Engineers.

May I now present Mr. J. McCree Smith who will talk on the development and preparation of Maintenance Budget Plans.

MR. J. McCREE SMITH: Business officers, more particularly those minions of the Business Office assigned the responsibility for analyzing and preparing total budgets for the university, have a nasty practice of asking disconcerting questions like, "Why do you need more money to hire more plumbers or more air conditioning mechanics?" or, "How do you know how many men you need?" These kinds of questions are calculated to cause physical plant administrators to lose sleep, grow ulcers, or convert hair. There are ways to answer these questions with confidence and in a manner that establishes the physical plant man as an unquestioned authority so that forever more the business officer dares not question the compelling need for any request received from Physical Plant. I say that there are ways that this can be done. Someday soon I hope I can find how to do this.

For purpose of discussion, three methods for preparation of maintenancebudgets are offered for your consideration:

First, there is the simplest method-- an old standby which bases the maintenance budget upon the gross square footage of all buildings coupled with an experience factor and some guessing as to the percentage increase to apply on each anniversary of budget preparation. This method is for the most part inconclusive and obsolete. Let me illustrate this-- When completed in 1952, the North Carolina State Biological Sciences Building had a faculty-staff population of 80 people occupying 102,000 square feet. In the intervening time seminar rooms and classrooms were subdivided into office and research laboratory cubicles. In 1966 (still only 102,000 sq. ft.) there is a population in excess of 500. Application of a square footage formula would not allow for an increase of custodial personnel required or the supplies and utilities required for the operation of the building. Further evidence of the fallacy of this method is in its inconsistency; e.g., the North Carolina State gym has five men assigned 39,500 sq. ft. per man; Civil Engineering Building, three men, 26,000 sq. ft. per man; and the General Laboratory Building, 4.5 men, 14,500 sq. ft. per man.

Second, there is a method called "Formula Approach" to financing physical plant operations. Howard Badgett, Director of Physical Plant at Texas A&M University, presented a paper on this subject at the 51st Annual Meeting of the National Association of Physical Plant Administrators of Colleges and Universities, Trinity University, San Antonio, Texas, in April 1964.

Mr. Badgett told us that ". . . . There are seventeen elements of institutional cost considered in the preparation of these budgets. Five of these elements (including two physical plant activities), representing approximately 72 per cent of the total institutional cost, are now being determined on a formula basis. . . . "

The two physical plant elements determined on a formula basis are Building Maintenance and Building Operations or Custodial Services.

For the first, Building Maintenance, the formula is built around the classifications of building construction--

(1) Wood-frame construction

(2) Masonry-wood (wood floors and wood-frame partitions)

(3) Masonry-concrete or masonry-steel frame, fireproofed and with concrete floors.

"The amount to be allocated for building maintenance for any group of structures may be determined by applying a ***maintenance cost factor*** to the total replacement cost for each construction classification. This maintenance cost factor is a percentage of the replacement cost and will vary for the three building classifications. . . ."

To assist in applying this formula ". . . . an appraisal chart prepared and published by the Markel Appraisal Chart Company of Cincinnati is used. This chart is revised semiannually in January and July and is utilized by appraisal agencies, insurance firms, and loan organizations to determine building reproduction costs, the insurable value, or the loan or sales value of buildings. The current reproduction cost of a building is obtained simply by multiplying the original building cost by the factor given in the table for the type of construction and year built."

The maintenance cost factors determined by the Texas group are:

"Construction Classification	Maintenance Cost Factor
Wood frame construction	1.75%
Masonry-wood construction	1.30%
Masonry- concrete or masonry-steel and concrete floors	1.10%

"That cost factors be increased by 0.15 per cent for air conditioned buildings.

"That the Markel Appraisal Chart be utilized to determine current replacement costs of buildings.

"That these cost factors need not be adjusted to cover increased age of buildings, or increased cost of labor and materials, because this is automatically provided in determining the current replacement cost of the building. Supervisory costs, other than work foremen, are not covered by this formula but should be provided separately. Maintenance requirements computed by this formula method provide only for current normal maintenance based upon the assumption that buildings are in good repair with no backlog of deferred maintenance. Deferred maintenance and major rehabilitation must be provided separately and beyond the funds estimated under this formula and must be justified individually by the institution concerned."

Second, Building Operations or Custodial Services-- this formula is built on three variables:

"(1) The number of square feet to be serviced by a full-time employee

(2) The average salary paid employees

(3) The quantity of materials, supplies, and equipment required to perform those services."

The Texas formula considered the following factors in arriving at a cost formula for custodial services at the 18 Texas institutions:

> "(1) An average of 14,000 square feet of gross floor space assigned per full-time custodian; (2) $205 per month, or $2460 per year, average salary base per full time custodian for a 40-hour week; (3) an allowance of $246 per year (ten per cent of average salary base) for materials, supplies, repairs, replacements and purchase of new equipment necessary for providing custodial services per full-time custodian.

"These factors resulted in a rounded figure of 19 cents per square foot of gross area per year for custodial services." The variables would have to be reassessed for each budget anniversary.

The third method of maintenance budgeting is best described as a system of standards for workloading. This method is being employed by North Carolina State University at the present time. The idea and some of the technique were borrowed from the University of Minnesota.

Here's how it works for housekeeping--

Workloading is determined by the man's capability for performing his daily task of housekeeping individual areas; such as, office, classroom, laboratory, bathroom, etc. Time studies for the routine have been observed for twelve months. Time standards have been established for typical rooms in the same or similar categories.

1. MINIMUM STANDARD (Does not include window washing, floor maintenance or evening school work)

Offices, lounges, libraries, conference rooms, classrooms, and laboratories —

Daily - Unlock door and turn on lights.
Dust room.
Clean out ash trays on desks, tables, etc.
Empty trash cans.
Sweep room floor.
Turn out lights — lock door.
In addition to above — clean chalkboards, chalk trays, and erasers, where present.

Weekly-Vacuum rugs once a week.

Bathrooms —

Daily - Clean and disinfect all urinals, commodes, and lavatories.
Wet mop floor.
Clean and wash all mirrors.

Weekly-Thoroughly clean bathroom (includes scrubbing all tile).

Halls and stairways —

Daily - Sweep and dust.

Weekly-Damp mop at least once per week.

2. MEDIAN STANDARD (With window washing and floor maintenance included)

To Minimum Standard, add the following:

Daily - Buffing of floors.
Spot cleaning walls.
Vacuuming of rugs.

Weekly-Dusting of venetian blinds and special furniture.

Semi-annually - Washing of windows.

Floor Maintenance - Special crew on scheduled cycle for stripping, waxing, and refinishing floors.

3. IDEAL STANDARD

To Median Standard, add the following:

Daily - Brass polishing.

Twice Daily - Cleaning of heavily loaded classrooms, blackboards, and erasers.

Weekly - Cleaning of light fixtures.

Washing of venetian blinds annually.

Shampooing of rugs annually.

Special services that include moving of furniture and equipment within a building, and more frequent dusting of high areas.

Evening school service.

Each janitor works seven hours each day Monday through Friday and five hours on Saturday. The time standards established by room are in minutes:

	Ideal	Median	Minimum
2-Station Office	12	10	8
30-Station Classroom	25	20	15

20-Station Laboratory	30	25	20
15-Station Conference Room	20	15	10
10-Station Lounge	17	15	10
Small Library	21	15	10
6-Fixture Bathroom	23	20	20
Stockroom (150 sq. ft.)	7	5	3
2-Man Bedroom	12	12	10

The workload standards establish on an average one area foreman for each ten workmen and one janitor foreman for each three area assignments.

Workload Procedure:

1. Catalog building as follows: Office, classroom, laboratory, etc.
2. Study times of several different janitors performing duties at a normal rate, observing different methods employed by each janitor.
3. Average all times in like areas. This establishes a basis for your total work force in calculations of future workloads in new buildings or additions to existing buildings.
4. Divide building into floors. Calculate each floor workload by multiplying number of areas by their respective average times for cleaning. For instance, 6 offices at 10 minutes per office is 60 minutes of time required.
5. Add all times together. Divide by 420, 480, or the number of minutes janitors work each day. The result is the number of men required to perform the duties at the level of housekeeping desired.
6. Classify the positions. Multiply the number of positions by the wage proposed, and the budget request is established.

For example of application of workload standards in housekeeping, see Exhibit "A."

Workloading for maintenance of buildings by the trades shops is developed in much the same way that workloading for housekeeping is developed. Here, however, the workload standards vary from shop to shop, depending upon the unit of work for the respective trades and the capability of one workman for an annual production in his particular specialty. The tabulation shown in Exhibit "B" is self-explanatory and by examination reveals some rather interesting statistics on workloads for the trades at North Carolina State University.

EXHIBIT "A"

North Carolina State University
JANITOR MANPOWER WORKLOAD
Appropriation Support

Floor maintenance and window washing is not provided in the minimum standard of workloading; however, these men are assigned and are performing. They are shown added (*) to the janitors now employed and to the minimum workload requirement.

Academic Buildings	Ideal	Median	Minimum	Now Employed
Ag. Engineering	3.10	2.60	2.10	2.20
Animal Disease	1.19	.62	.50	.80
Brooks	3.50	3.05	2.50	3.00
Broughton	4.80	4.00	3.20	2.75
Burlington	.40	.40	.37	.55
Carmichael	6.20	5.90	5.18	5.00
Clark Laboratories	3.00	2.60	2.10	2.00
Daniels	7.42	7.10	5.70	3.00
Field House	.60	.50	.40	.50
Gardner	8.60	8.02	6.48	5.00
General Lab	6.50	5.83	4.73	4.75
Harrelson	8.30	8.00	7.00	6.00
D. H. Hill	3.76	3.50	2.84	3.00
Hodges	.40	.37	.30	.25
Holladay	3.35	3.10	1.56	2.00
I. E. S.	.57	.50	.40	.40
Kilgore	4.23	3.81	3.37	2.00
King	1.62	1.51	1.23	1.00
Leazar	1.00	.89	.74	.30
Mann	4.20	3.50	2.82	3.00
Morris	1.60	1.09	.91	.50
Nelson	6.23	5.00	4.12	4.00
1911	3.90	3.50	3.00	3.00
Nuclear Science	.80	.75	.60	.25
Page	1.86	1.60	1.30	1.00
Park Shop	1.06	.71	.56	.85
Patterson	3.65	3.22	2.61	2.00
Peele	1.75	1.61	1.28	1.50
Polk	7.00	6.04	4.95	4.00
Primrose	.39	.34	.28	.20
Reynolds Coliseum	2.00	2.00	2.00	2.00
Ricks	3.00	2.50	2.00	2.00
Riddick	7.14	6.90	5.61	4.00
Robertson	1.50	1.42	1.00	.75
Scott	1.90	1.78	1.47	1.00

Frank Thompson	.46	.40	.35	.10
Tompkins	3.44	3.04	2.69	2.00
Watauga (Basement)	.35	.29	.25	.10
West Stadium	.30	.20	.10	.25
Williams	8.50	7.13	5.16	4.00
Winston	3.00	2.10	1.62	2.00
Withers	4.50	4.07	3.25	3.00
Sub-total	137.07	121.49	97.63	86.00
*Floor & Window Crews			16.00	16.00
TOTAL	137.07	121.49	113.63	102.00
Less Now Employed	102.00	102.00	102.00	
Required Additions	35.00	19.00	12.00	

Supervisors required to direct workmen:

	Now Employed	For Median Level
Floor Crew Foreman	1	1
Janitor Foremen	2	4
Mail Foreman	1	1
Area Foremen	8	12
Total	12	18

EXHIBIT "B"

TRADES MAINTENANCE WORKLOADS

North Carolina State University - Physical Plant Division

Shop	Area of Responsibility Definition of Workload	Unit Workloads - Annual Output One Workman	Workmen Currently Provided	Workmen Required		Additional Workmen Needed Classification	Pay Grade	Min. Salary	Budget Increase	
				65-67	67-69				65-67	67-69
Auto *A - 72% S - D - 28%	Campus automotive equipment 65-67 67-69 Heavy equipment 20 27 Autos & trucks 338 450 Light equip., lawnmowers, pumps, etc. 100 135	18 pcs. hvy. equip. 60 autos 90 pcs. light equip	6	1.11 5.63 1.11 7.85		1 Mech. 1 Helper	58 49	$4752 3120	$4752 3120	
					1.50 7.50 1.50 10.50	1 Mech. 1 Helper	58 49	4752 3120		4752 3120
Carpenter A - 37% S - 25% D - 38%	3,710,000 sq. ft. -- 65-67 4,990,000 sq. ft. -- 67-69 Buildings, fixtures & furnishings	200,000 sq. ft.	15	18		July '66 2 Mech. 1 Helper	56 49	4320 3120	8640 3120	
					25	4 Mech. 3 Helpers	56 49	4320 3120		17280 9360
Elect. - Primary	65-67 67-69 Circuits in lin. ft. 62,000 103,000 Transformer stations 71 84 Main switches 308 328	30,000 l.f. circuit 60 Trans. stations 225 Switches	3	2.06 1.18 1.37 4.61		1 Mech. 1 Helper	61 54	5484 3936	5484 3936	
					3.43 1.40 1.45 6.28	1 Mech.	61	5484		5484
Elect. - Secondary A - 67% S - 13% D - 20%	Panels, lighting 3,710,000 sq. ft. -- 65-67 4,990,000 sq. ft. -- 67-69 Power and convenience outlets Building equipment	250,000 sq. ft.	14	15		1 Mech.	59	4980	4980	
					20	2 Mech. 3 Helpers	59 49	4980 3120		9960 9360
General A - 63% S - 21% D - 16%	Plastering, sheet metal, brick masonry, concrete, and roofing 3,710,000 sq. ft. -- 65-67 4,990,000 sq. ft. -- 67-69	200,000 sq. ft.	12	18		3 Mech. 3 Helpers	59 49	4980 3120	14940 9360	
					25	4 Mech. 3 Helpers	59 49	4980 3120		19920 9360
Lock A - 58% S - 36% D - 6%	Hardware - Locks, door closers, hinges, window latches, etc. 65-67 67-69 Doors 19,400 26,000 Windows 15,100 20,000	4000 doors	3	5		1 Mech. 1 Helper	57 54	4536 3936	4536 3936	
					6	1 Mech.	57	4536		4536

Paint A - 66% S - 14% D - 20%	Interior and exterior paintable surface areas based on 7-yr. cycle 2,120,000 sq. ft. -- 65-67 2,851,000 sq.ft. -- 67-69	90,000 sq. ft. paintable surface	12	24	24	1 Asst. Fore. 11 Mech.	59 56	4980 4320	4980 47520	
Pipe A - 59% S - 22% D - 19%	Plumbing - 58% Steamfitting, etc. - 42% 65-67 67-69 Lav., urinals, sinks 3933 5250 Commodes & showers 1982 2670	Lav., urinals, and sinks - 348 Commodes & showers - 262	15	11.3 7.6 18.9	15.1 10.3 25.4	2 Mech. 2 Helpers 3 Mech. 3 Helpers	59 54 59 49	4980 3936 4980 3120	9960 7872	14940 9360
Refrig., Vent., & A/C A - 79% S - 10% D - 11%	65-67 67-69 Window units - 1/2- 2 tons -765 1200 Package units - 2 - 25 tons-125 230 Bldg. Systems - 25 - 400 tons-8 18 Misc. fans, walk-in units, etc. 2000 2950	300 window units 45 package units 8 bldg. systems 900 misc. fans	8	2.55 2.77 1.00 2.22 8.54	4.00 5.10 2.25 3.27 14.62	3 Mech. 3 Helpers	62 54	5748 3936		17244 11808
Misc.	1 Welder 2 Kitchen equip. mech. 1 Sign painter 1 Glazer 2 Furniture refinishers 3 Heavy equip. operators 2 Dumpster operators 2 Gen. utility men		14	14	14					
	TOTALS		102	133.90	170.80	65-67 67-69 32 35			$137,136	$146,484

* Percentage of Budget - Labor Only
A - Appropriated Support
S - Self Support
D - Departmental Services

MODERATOR BOSCH: Thank you, Mr. Smith, for a fine presentation on Maintenance Budgeting.

Although we are running a little late, I believe we can take a few minutes if there are any questions. Several questions were directed to each of the panelists.

I want to thank our panelists for a very interesting and informative discussion of Physical Plant Planning and Maintenance. I feel certain that each of you will agree with me that this has been one of the best panels of our meeting. The meeting will now adjourn for a short coffee break.

FRIDAY MORNING SESSION
April 8, 1966
BUSINESS OFFICERS SESSION

Following the Friday morning panel discussion programs,the morning meeting of the Southern Association of College and University Business Officers convened in the Embassy West Room of the Statler- Hilton Hotel, Dallas, Texas, April 8, 1966, and was called to order at 10:45 o'clock a.m. by First Vice-President W. Clyde Freeman.

FIRST VICE-PRESIDENT W. CLYDE FREEMAN: We have several general announcements to make at this session. First, noonday church services sponsored by the Greater Dallas Council of Churches will be held at 12:05 p.m. at noon today, at Majestic Theater. The Majestic Theater is located north of the hotel on Elm Street. Several individuals had asked about that.

Russ White of the Resolutions Committee would like to make an announcement.

MR. RUSSELL E. WHITE: Thank you, Clyde. We have compiled the names of four people already whom we want to memorialize in the form of a resolution this afternoon who have died within the past year. I will read these names and if you know of any additional names that should be added to this list, we'd like to have it before the afternoon session.

We have Mr. Joseph C. White, comptroller of the University of Mississippi, and incidentally, check my titles on here. I'd like to be sure that they are absolutely correct.

Mr. J.D. Bolton, comptroller and treasurer of the University of Georgia.

Mr. D.B. Dougherty, vice- president and comptroller of Appalachian State Teachers college.

And Mr. Clyde Warrick, auditor emeritus of Louisiana State University.

If I may take just a moment, at least identify them, and I will come and sit with you and find out who they are if you know of anyone else who should be added to this list.

FIRST VICE-PRESIDENT FREEMAN: Your program indicates that the members of the Association will have their annual banquet tonight at 7:00 o'clock. The ladies' program indicates that they will have their banquet at 7:30 . This was not intentional on our part. If you will, please have your wives join you at 7:00 o'clock for the annual banquet.

Some of you have been away from your offices for two or three days. I get a report that at least some of you cannot be located by your offices. There are several messages down in the mailboxes. Would you please go by and pick up these messages so that your institutions will at least know that you heard from them while you were in Dallas.

At this session, we have two speakers. The first will be Dr. John C. Calhoun, and he will be followed by Dr. Jesse Hobson. In order that we might do proper justice to these two distinguished speakers, I have asked Carl Parker to introduce our speakers for this session, Carl.

MR. CARL F. PARKER: Thank you, Clyde. We have reversed the order here this morning on the program, and our first speaker will be Dr. John C. Calhoun, who is vice- president for programs of the Texas A&M University System.

It was my privilege to know Dr. Calhoun at Texas A&M when I was with the Texas Commission on Higher Education, the predecessor organization to the present State Coordinating Board. I came to have a very high regard for the work which he was doing and is doing at Texas A&M. Anyone who has ever spent any time on the Texas A&M campus must come away with a great appreciation for some of the traditions which that institution has developed.

I am sure all of you are familiar with the so-called 12 man tradition at football games, which requires that all of the cadets stand during the entire football game. This originated, as I am told, back many years ago, probably at the University of Texas game, in which they used up all the substitutes on the bench, and they had to call a man from the stands, and suited him up and put him in the game. Out of this arose the 12-man tradition.

I think probably one of the best stories I ever heard about Texas A&M and its rivalry with the University of Texas occurred several years ago when the University of Texas stadium had its grass beautifully manicured during the summer, kept it well watered and in first-class condition. And then all of a sudden, there sprang up out on the field unmistakably grass of a different color and a different texture with the letters A&M.

A&M has done a great deal of experimentation in the area of grasses and so forth, and this is one of their experiments!

It would probably be in order to tell one very short A&M story. As you know, A&M has recently become a coed institution. I was checking with Dr. Calhoun. They have some 470 to 500 women on the campus now.

Recently they were having a construction job at A&M , a building under construction, and two boys were standing out on the sidewalk doing the usual sidewalk superintendent job, watching this construction. They had brought a large crane up there to be used in the construction work. And they were in the process of getting this assembled and in operation.

One of these coeds came ambling down the sidewalk and the conversation came to a complete halt. After this coed had passed by, one of these boys said, "Joe, it will never work, there are too many moving parts."

Dr. Calhoun is a native of Pennsylvania and received his Bachelor of Science in petroleum engineering at Pennsylvania State University, his Master of Science there and his Ph.D there.

He has been in Texas since 1955, first as dean of engineering and director of the Texas Engineering Experiment Station and of the Texas Engineering Extension Service. Later, he was elevated to the position of vice president for engineering and vice-chancellor for engineering of the Texas A&M University System. And he has recently been elevated to the position of vice-president for programs of The Texas A&M University System.

It is my great pleasure to present to you Dr. John C. Calhoun.

DR. JOHN CALHOUN: Each time I approach the podium to talk to a group like this, I call to mind Agnes Allen's Law. Agnes Allen, a housewife, wanted to demonstrate to her husband, who was a Harvard graduate, as I recall, that there was no particular difficulty in having one's name attached to a law. This man had been trying for years to dream up a law as the best way to go down in history, but she beat him to the punch.

Agnes Allen's Law says that almost anything is easier to get into than to get out of. If you think about it a minute, this applies to a great many things — to small automobiles, bathing suits, committee assignments and commitments like this one. Five or six months ago when my calendar was entirely white, and I didn't know that this would be Good Friday, I said I would be very happy to come to Dallas for this talk.

Nevertheless, I am very happy to be here because it gives me an opportunity to speak to a subject in which I have become quite interested. I hope I can transmit to you some of my enthusiasm.

The theme of this meeting is the challenge of change, so if I were to pick a title in keeping with your theme for what I want to say this morning, I would choose — Information the Challenge for Change in University Administration. I want to talk about the business of administering a university.

John Gardner, writing recently in an article I am sure most of you have read (if you haven't, look it up in the annual report of the Carnegie Foundation, under the title "The Antileadership Vaccine"), says that:

> "The sad truth is that a great many of our organizations are badly managed or badly led."

And, also —

> "Very few of our most prominent people take a really large view of the leadership assignment. Most of them are simply tending the machinery of that part of society to which they belong. The machinery may be a great corporation or a great government agency or a great law practice or a great university. These people may tend it very well indeed, but they are not pursuing a vision of what the total society needs. They have not developed a strategy as to how it can be achieved, and they are not moving to accomplish it."

These are very serious words from a man who is an expert in the field.

I suppose our age is characterized by its concern for education as much as it is by any other activity. We seem to have shifted our emphasis from the development of our natural resources and environment to the development of our people and their talents. From all sides we hear the cry for more and better educated individuals. This need is heard from industries, from communities, from government, from emerging nations, from the professions, and from special fields of technology. It is a universal theme. The key to every successful institution, to every moon shot, or to every advancing blue chip on the stock market seems, in one way or another, to be shaped in terms of the competition for manpower.

The years since World War II have seen a tremendous surge for new universities, new graduate programs, research institutions, community colleges, junior colleges, continuing education, cooperative not-for-profit consortiums, and other devices to achieve more and better dissemination of knowledge. I don't have to recite the spectrum to this audience. You live in its midst.

Every city seems to want its university and every college wants it Ph.D. program. Graduate enrollments are now as large as undergraduate enrollments used to be. The university that doesn't number students in the tens of thousands, or its research in the several millions of dollars, considers itself small.

More importantly, the university seems least of all to be what it was years ago — mainly an undergraduate institution. It appears now to be as much or more a place for research, a home for interdisciplinary groups, a base for expert consultants, the source of problem solving for all levels of government and all walks of life. And, the faculty member today is probably the most mobile professional in our nation.

Shortly after this trend became noted some 20 years ago, legislators and state governments became aware of the increasing level of appropriations needed and of the difficulties in stretching the tax dollar to supply the funds. Logically, a reaction set in among these government offices. First, this reaction was against duplication of courses, against expansion of universities, and against new campuses and new programs. In some places, the reaction went so far as a stated moratorium on new courses and new curricula which, fortunately, later had to be abandoned in the face of an obvious need for handling more students and new knowledge.

The concern is still with us however, and in more recent years has been expressed through the formation of statewide Commissions or Boards of Regents to oversee the total growth of public educational institutions within a state. Such coordinating groups are given various powers, ranging from a coordinating and review function to authority for approving new universities, new curricula, new degrees, new courses, and the level of appropriations.

Regardless of what may be the final form of educational control, questions are being raised still, as to the cost of education and as to the extent of facilities needed to carry out a particular educational goal. The analysis of statistics has proceeded in the directions of determining unit student credit hour costs and space requirements for various kinds of academic programs and types of learning situations. Of course, these analyses have had to recognize variations in the cost of education between graduate and undergraduate programs, or between professional and nonprofessional fields. I am sure many of you have been engaged in this sort of analysis.

At the same time, federal agencies have been dealing with the questions of programs, statistics, costs, and distribution of resources. Each federal agency, in administering its contracts, grants, and fellowship programs, has faced questions concerning the priorities of academic areas, the relative costs of different educational programs, or the allocations of particular funds to specific activities. You are more familiar than I am with the procedures which the federal government has established in order to provide the auditing that will permit it to determine what it needs in the way of allocating costs.

Because of these many trends, the university administrator certainly is aware of the need for statistics. There is a demand for better statistics pertaining to the daily operations of a university. There is a need for information that will justify the funding of or support the direction of university programs. It is these kinds of statistics and needs that are the background from which I speak, and about which I want to offer some suggestions.

The challenge I see goes far beyond the kinds of statistics that have been kept in the past. The future I envision will encompass many kinds of measurements that we do not know yet how to make. I don't see how we can satisfy the management program which I forecast with the kinds of measurements that we make for our accounting and auditing procedures of the moment. The theme I portray concerns the goals of the university and its purposes for existence. I would like to pose some questions about defining these goals and about determining our achievements. From these considerations, I suggest the desirability of a total information system concerning university programs and operations. By creating such a system, we would indeed take up the challenge for meeting change in university management.

My approach to management is that of an engineer. This background supports a belief that it will be impossible to manage anything unless its workings are understood. Unless I have knowledge of the nature of the entity which I manage and a comprehension of its goals, I cannot hope to make the decisions that will permit me to claim that I am managing. I must know the nature, the components and the operational systems of the unit which I am trying to control and direct.

Let me quote again from John Gardner's article. He says, "If anything significant is to be accomplished, leaders must understand the social institutions and processes through which action is carried out." If I don't understand the processes through which actions are carried out within a university, I cannot claim to be a university administrator.

What is the nature of a university and what is its business? What are the goals of the university? What are its processes for action? I think these questions must be examined very critically.

University goals, in my opinion, ought to be expressed with reference to the place of education in society and in terms of the contributions which the university can make to the culture in which it exists and to the persons which make up its student body. In pursuit of university goals, the university administrator ought to be able to make such decisions as those to advance the learning rates of students or to yield a better division of learning time among laboratory, lecture, and seminar situation. He ought to be able to assess the relative achievement of the university's goal among alternative actions, as for example, assigning research professors versus other professors to freshman classes, or adding faculty members in psychology instead of nuclear engineering.

Decisions relating to these kinds of questions cannot possibly arise out of statistics that merely enumerate salaries, students, or square feet of space. We have been prone to express both goals and achievements in enrollment figures, sizes of budgets, faculty salaries, scope of facilities, and amounts of construction. I don't see how we can make the kinds of decisions we need to make on the basis of the kinds of statistics we have been keeping.

I do not want to be misunderstood. I would continue to keep the statistics we have been keeping. These statistics are very well to have for the annual report. They look good in the newspapers. They give a gross description of over-all growth. I think we use these numbers, in fact, because they do give an understandable picture to the public. They are something we can brag about. They are also, incidentally, easy numbers to obtain.

If we wish to manage a university in the more basic sense I want to portray, we must develop concepts about the processes that go on within the university ard the elements that control these processes. I will spend a few minutes to give you my views.

The usual approach to an analysis of university processes is to identify the items I have enumerated — students, faculty facilities, research contracts, and courses — as the components of the university. Or we may prefer to identify the academic units — colleges of business, agriculture, engineering, etc., and departments of aeronautical engineering, sociology, and so forth. And the functions, we specify traditionally, are teaching, research, extension, public service, meeting classes, holding conferences and so on.

We can achieve a much more fundamental understanding of the nature of a university by realizing that all of these categories, whatever breakdown they may describe, have to do with two basic processes. These two processes are, so far as I can see, the real business of the university. One of these processes I will call the development of knowledge, and the other I will call the development of people. And, neither can really be done without the other.

The one process includes the discovery of knowledge, its processing, its assimilation into the existing body of knowledge, its display in appropriate forms, and its dissemination. The other process involves the assessment of the individual and of his intellectual attainment, the establishment of techniques for exposing individuals to knowledge, and the programming for the individual's creative development.

The first of these processes covers knowledge all the way from discrete observation at the fundamental research level, through the preparation of professional papers and textbooks, to the organization of mass media presentations, films, and popular lectures.

The other process involves the spectrum of individuals going all the way from the neophyte undergraduate through the graduate and postdoctoral student on into the professorial and research faculty.

These are both continuous spectrums, and there is no abrupt cut off of either spectrum on either end. In the idiom of the engineer, I would describe the flow along both spectrums and their interaction as countercurrent processes.

I emphasized the countercurrent because if I sketched these processes pictorially, I would show arrows going in opposite directions. Traditionally, at least, we think of the most undeveloped mind being exposed first to the most highly organized knowledge. Conversely, we think of none but the most developed mind dealing with the most isolated and discrete research observation, or with the organization of raw facts into concepts and theories.

In other words, the man who does the exploring and the mining for knowledge is the most highly developed individual. The individual who is supposed to make use of knowledge in its most highly processed form is the one whose mind has not yet begun to be developed. So, these two processes run countercurrent to each other, and the specific university programs which we identify as classroom teaching or graduate research are couplings between these two processes. The coupling mechanism is a course, a curriculum or a research project.

Traditionally, we have coupled the knowledge development and the people development in somewhat limited ways. For example, the undergraduate usually has not been exposed to research. Our view has been that the undergraduate is down on one end of the individual development line, and research is up on the other end of the knowledge processing line.

Today we realize that interactions between knowledge and people must occur at all possible places along both paths of these processes. There is an emergent complex network of coupling arrangements with which we must deal in the university. These couplings are difficult to classify as programs in the traditional sense, and are among the things plaguing the university administrator today. How does he describe and where does he put these new things that are coming along that don't fit anywhere in the traditional scheme?

As we bring into being institutes, centers, and so on, we simply acknowledge that we have to go beyond our traditional methods of bringing knowledge and people together. We must, indeed, seek any and all ways of interacting the two processes I have described in order to achieve the goals of the future. It is my belief that the programs of the imaginative universities of the future will be realized by the creative ways in which these two processes are coupled. The university administrator who can see the possibilities of adjusting the time path along either of these developmental scales or of producing new networks of couplings will be the one who is out in front. His flexibility for establishing new programs will rest upon how well he understands these processes and their interactions.

My basic theme is that university programs which express the development of knowledge, the development of people, and the way they interact are the heart of the university. The data that we need to accumulate and the definitions on which we must reach agreement are the data and terms concerned with these programs. The first need which I enumerate for the achievement of more effective university administration is the need to attain a detailed identification of the programs that are involved, including definition statements which will adequately describe them. Unless we can describe, delineate and define, we will not be able to see where we are going. Nor will we be able to state how the inputs of students, facilities, or faculty resources will change the situation.

In giving you this picture, I do not intend to overlook the fact that administrators still deal with people and facilities. The programs of which I speak are implemented and operated by bringing together people and facilities in whatever way is appropriate to the particular program. I look upon people and facilities as the primary inputs to the university system. I don't include money as a primary input. It is simply the principal means by which people and facilities are acquired. Naturally, we have to acquire these inputs if we are going to do the job, but for the primary inputs into the university program, I exclude money.

Now, we can group the people involved and the facilities used in a number of ways. Traditionally, we divide the people into two broad categories — students and staff. Sometimes we look upon the staff as divided into two or more categories; for example, the faculty, meaning the people who come in direct contact with the students or with research and the staff, meaning those involved in the housekeeping activities.

I would not predict what will be the final groupings of people when we get to the place where we can analyze university processes thoroughly. In my way of looking at the business of a university, it may be appropriate to group students and faculty as a single input, because as I said earlier, both the students and faculty belong to a single spectrum of persons who are developing. After all, what is a degree? There is nothing magic about it. It is just an artificial mark we have made along this spectrum. It has no significance in terms of how the mind has developed. It gives only our judgement that a certain formal program has been endured, and that the probabilities for intellectual development are enhanced.

Also, I think that facilities might include the supporting personnel as well as buildings and equipment. Rather than look at all persons as one input just because they are people, I have a feeling that if we grouped certain supporting personnel with facilities, we might have a better way of examining and analyzing our total operation. This division is contrary to the traditional way in which we look at manpower, but is more and more recognized by Federal granting agencies as a key factor in establishing facilities.

The important point I want to make is that we must be able to identify like inputs if we are going to assess the total operation and processes of the university.

University operations themselves are of two kinds, and it is important to recognize these two kinds again as part of the need to understand the university process. One group can be called housekeeping operations and the other group program operations. When we gather data and statistics for administering higher education today, we are more inclined to look at the housekeeping operations than at the program operations.

To take an example, the registration of students is a housekeeping operation. Registration can be improved. It can be made more effective to the degree that it costs less or takes less student time and less faculty time. It can provide a more compact set of class schedules. These things may save money which can be put some other place in the organization, but they do not necessarily contribute either to the enhancement of the processing of knowledge or the enhancement of the development of the individual.

The other kinds of operations are those by which we determine what classes a student ought to take, which professors will create the optimum learning situation for the student, or what matching of students to classes or to assignments of classrooms will produce the optimum learning environment. These are all things that are germane to the program operations and to the educational process.

Now, it seems entirely possible that we can optimize registration and class scheduling to improve the housekeeping; and it is also possible that we can optimize the elements that improve learning environment. It doesn't follow necessarily, however, that if we optimize each of these, we will optimize both. And it doesn't follow that if we have optimized one, we have optimized the other.

The import of these observations is that how ever we keep our statistics and whatever statistics we keep, the university administrator ought to be able to have them subjected to analysis with some knowledge of the parameters that are important in relation to the major objectives that are expected from the university program not just in relation to improved housekeeping.

As I examine the kinds of information we need, I conclude also that it is important to give our attention to acquiring and recording data that reflect assemblages. Up to the present, we have paid primary attention to inventories of students as individuals, facilities as individual inventory items, buildings as units. We have tried to force our data into a hierarchial form.

Let me give you some illustrations. One can count students, measure them as individuals, and record their characteristics. There is no way that I know of in which the measurement of students on an individual basis will produce the measurements on classes, because classes of students have characteristics which result from the interaction of students and not from the summation of their individual characteristics.

Likewise, one can identify concepts as individual items, and these concepts can be put together to make courses, and courses are put together to make curricula. Curricula, in turn, along with research and other kinds of activities, are put together to make programs. But a single course may appear in several curricula. A concept may appear in many courses and in many programs. We wouldn't try to analyze courses and curricula merely by making a listing or an inventory of all the concepts involved. And, yet this is what we do with people, with students, and primarily with facilities. We record the individual items on an inventory basis, and expect from this to deduce the characteristics of the assemblages.

If one had recorded information on the programs making up the university activities, and recorded information on the people and facility inputs, one might expect to carry out an analysis of the processes occurring within the university, and one might expect to say that he was managing. This is essentially the task we undertook at Texas A&M when we said, "Let's develop a total information system."

As I am sure you know, various industries and corporate organizations have developed systematic information networks for the purposes of facilitating and implementing their decision-making and management processes. These are described in the literature with various terms and captions, such as total systems, total information systems, data processing systems, integrated information systems, and other combinations of words. The over-all connotation is that all kinds of measurements about the organization can be assembled and processed into reports or tabulations to be placed in the hands of administrators who may use them in making decisions.

This entire movement has been aided and abetted by the appearance of machine processing of information and by automated procedures for recording and displaying information. Hence, some of the industrial processes are quite sophisticated.

One can first ask questions, "What have industry people done? What have they learned about the concepts and the business of putting together an information system?" One can ask then a following question, "Is it possible, in trying to achieve effective management, to put this kind of thing together for a university?"

We undertook to examine the literature and to digest from it some of the fundamental ideas. I will show some slides which summarize the principal things we picked up. Then, I will show some slides as to how this might be applied to a university.

As we looked at this subject and asked ourselves, "What are the industry people talking about?" we had a semantics problem. We recognized that a total information system meant a system that brings together raw facts picked up in various places in the organization, but it also includes processed data. We also learned that information includes the collection of this data, and its flow from one part of the system to another. Then, if you aren't willing to include the machines and the network that makes the whole operative, you don't have the total picture at all.

Furthermore, one can't talk about an information system without recognizing that the information which the executive wants is not the information put into the system. The administrator may want to know from time to time the numbers of students, but he also wants to know other things that are deduced from the relationships among students, facilities, faculty, and other components. It is like the budget documents and fiscal documents which you place before the administrator. Very rarely does the top executive want to see all the detailed figures that were listed somewhere down in the organization. What he wants to see is an over-all report that assembles the information in an appropriate way for him to see the overall picture.

The data may be assembled as raw facts at the bottom of this structure, but one must keep in mind the reports that are going to come out at the top. In the middle there must be the proper machinery and proper flow of information. Whatever is collected must be collected in the most efficient manner and organized so that the man who takes it off the top can pick up the kind of report he wants as a basis for his decision.

All of these items entered into the background, and as a result, we stated a definition that we were able to deduce out of everything we read. It is reproduced as Slide I.

Slide I

> *A Total Information System is defined as a linked network* (hereafter to be referred to as data) and processed data (hereafter to be referred to as information), the collecting of data, the development and flow of information, the manual and automated procedures that make the network operative, and the organization that coordinates and operates the network, all of which are designed to provide information needed to operate, control, evaluate, and plan the university process.

The next slide is a brief resume of what we found to be two major points emerging from the comments of persons who said they had successfully put into operation a total information system or its equivalent.

The first of these points is that there must be a recognition in the organization that the information system is a single entity. Someone at the top must take the executive authority to see that the system is coordinated without regard for departmentalization or other barriers that exist within the organization.

The second point is that the collection of data is very critical. Data processing people continually emphasize this point that the total information system will rise or fall on the efficiency with which the data is collected.

Slide II

1. The coordination of all administrative activities, coupled with a decision making policy that takes into consideration the overall company or institution without regard for the barriers of organizational segments or departments.

2. The collection of all data needed for the operation and management of the organization, at the points where the data originates, in a manner that will avoid duplication of collecting effort.

The next slide (Slide III) gives an overall resume of information relationships we conceived in the way of applying this to a university. First, let me make a comment.

In thinking about applying industrial techniques to a university, the first argument is, "Now, wait a minute. Business is one thing. It is measured in terms of dollars and cents, but a university is something else. By its very nature, it can't be organized in a business way. It has a certain academic character which simply is not amenable to definition or to organization."

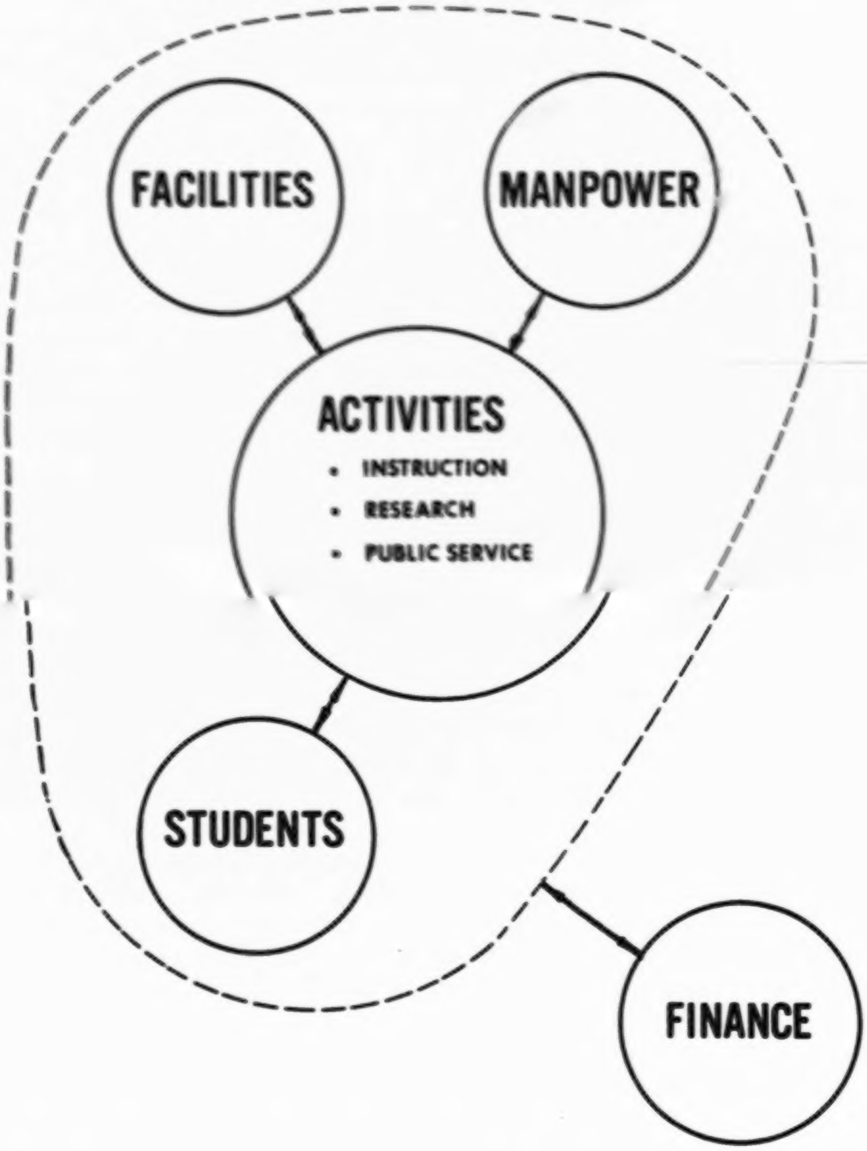
I think this point is overemphasized. An information system is needed, in fact, to keep the university from drifting into a non-academic evaluation system. In trying to express the fact that an information system will work for a university, at the center of this total information system are the activities or programs which I described before as the heart of the university. These are the things which express the manner in which the development of knowledge and the development of people are interrelated. These activities are generally called instruction, research, and public service as indicated. They are the activities that occupy our time as faculty.

The inputs expressed here are three rather than two, although one could put students and faculty together. On the periphery, as a motivator, we have placed finance. The relationships are such that if you want to find out what any single thing costs, all have to be studied together. Arrows showing two-way flow indicate this interaction.

We tried also to sketch out the files that would be in each of these areas in order to provide the basic data for assembling the kinds of reports a university administrator ought to have. Slide IV shows the way we look at the manpower. I should comment here that when looking at any total area, it is necessary to deal with historical data, with current data, and with control data. It is necessary to have control data in order to

SLIDE III

MAJOR SYSTEM RELATIONSHIPS OF THE TOTAL INFORMATION SYSTEM



FACILITIES

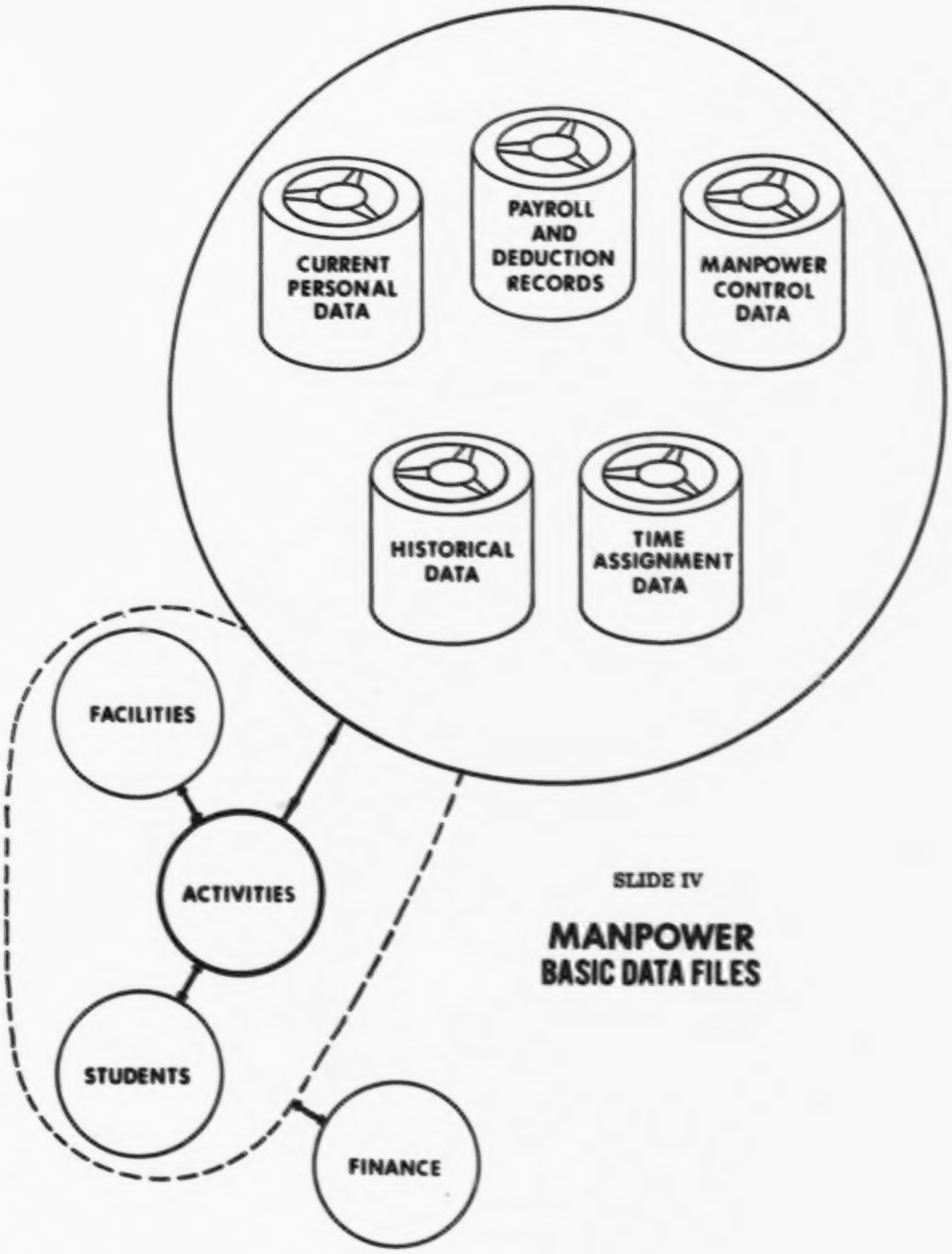
MANPOWER

ACTIVITIES

- INSTRUCTION
- RESEARCH
- PUBLIC SERVICE

STUDENTS

FINANCE



CURRENT PERSONAL DATA

PAYROLL AND DEDUCTION RECORDS

MANPOWER CONTROL DATA

HISTORICAL DATA

TIME ASSIGNMENT DATA

FACILITIES

ACTIVITIES

STUDENTS

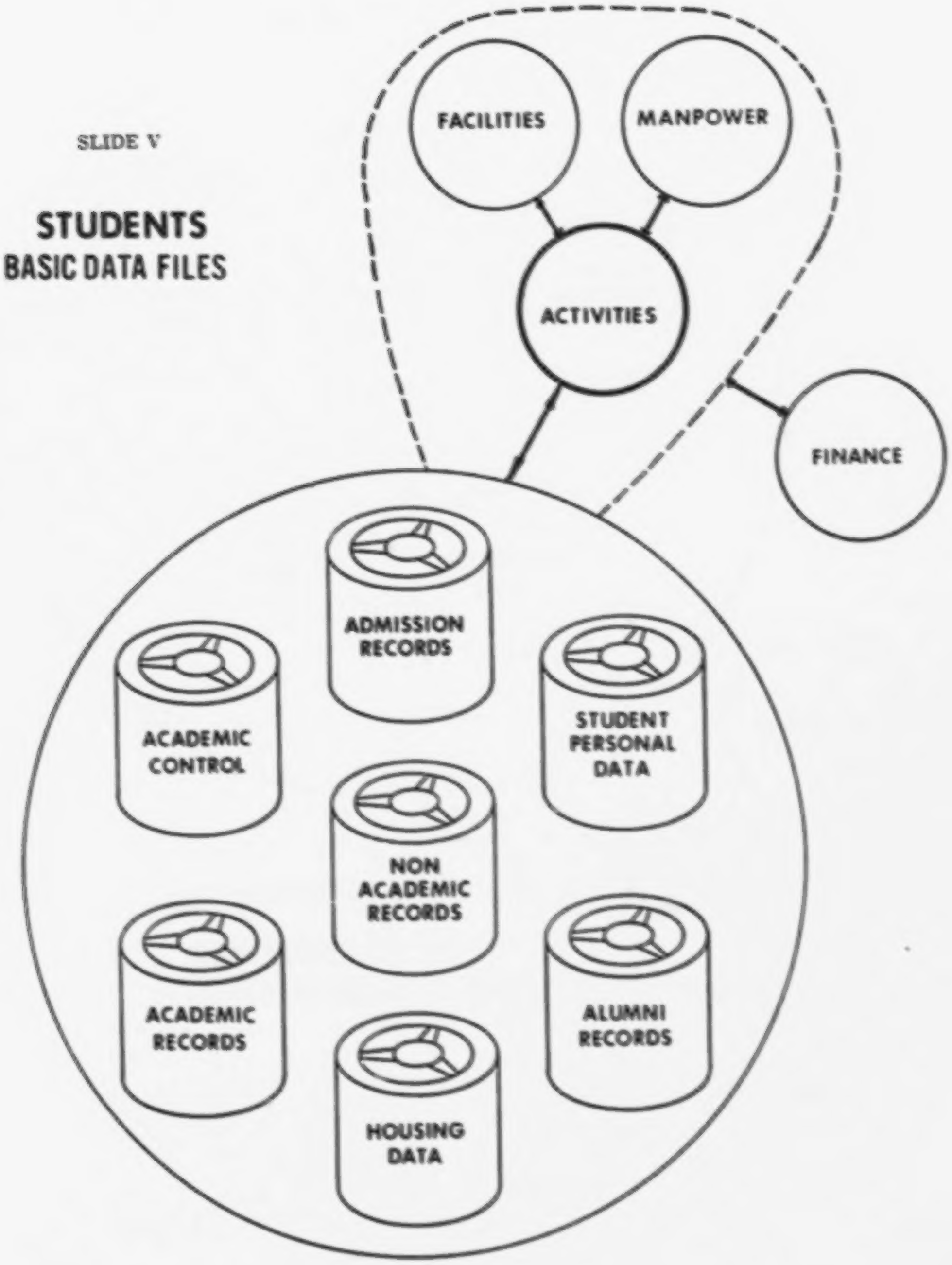
FINANCE

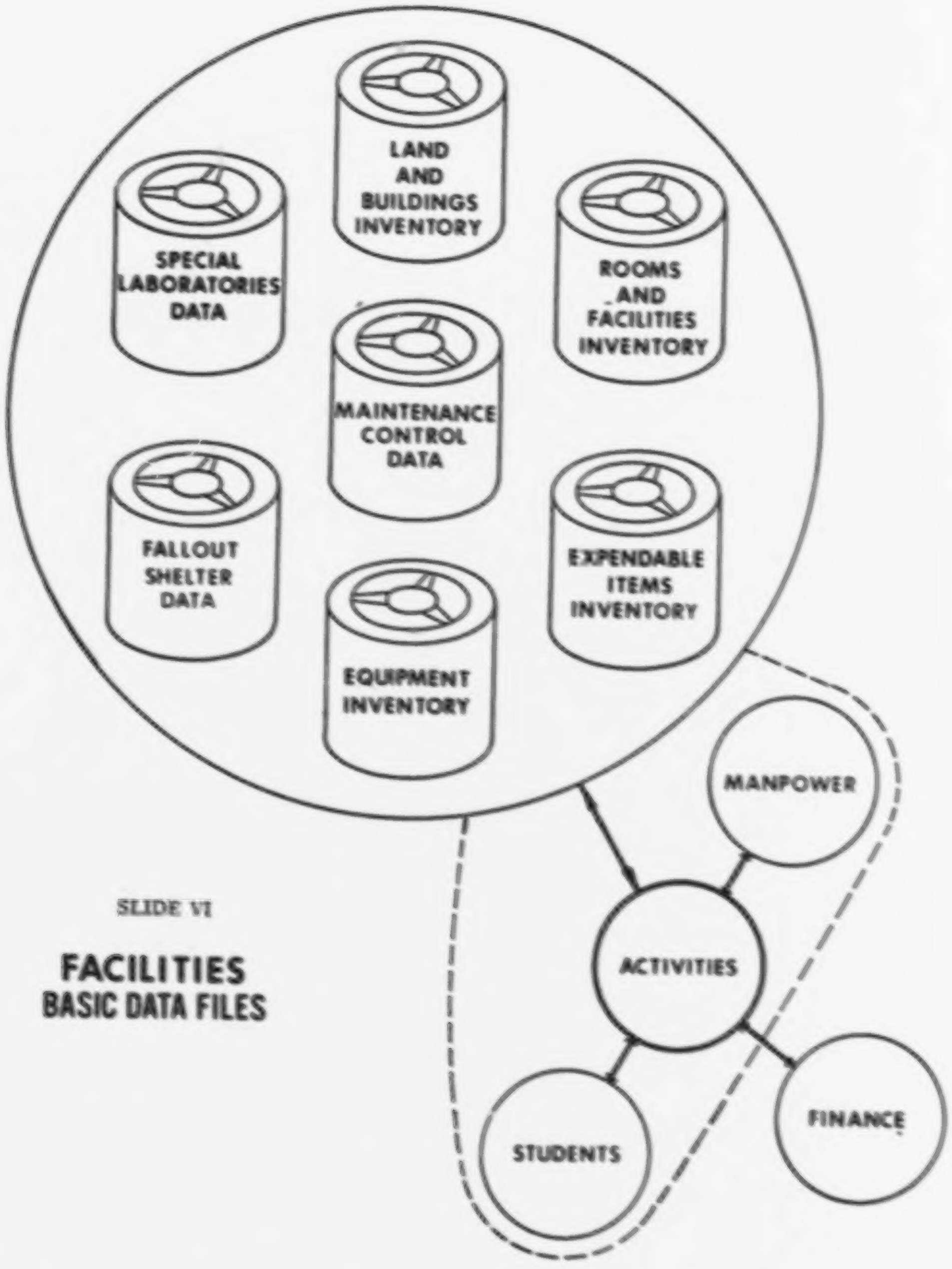
SLIDE IV

MANPOWER
BASIC DATA FILES

SLIDE V

STUDENTS
BASIC DATA FILES


FACILITIES
MANPOWER
ACTIVITIES
FINANCE
ADMISSION RECORDS
ACADEMIC CONTROL
STUDENT PERSONAL DATA
NON ACADEMIC RECORDS
ACADEMIC RECORDS
ALUMNI RECORDS
HOUSING DATA



LAND AND BUILDINGS INVENTORY

SPECIAL LABORATORIES DATA

ROOMS AND FACILITIES INVENTORY

MAINTENANCE CONTROL DATA

FALLOUT SHELTER DATA

EXPENDABLE ITEMS INVENTORY

EQUIPMENT INVENTORY

MANPOWER

ACTIVITIES

STUDENTS

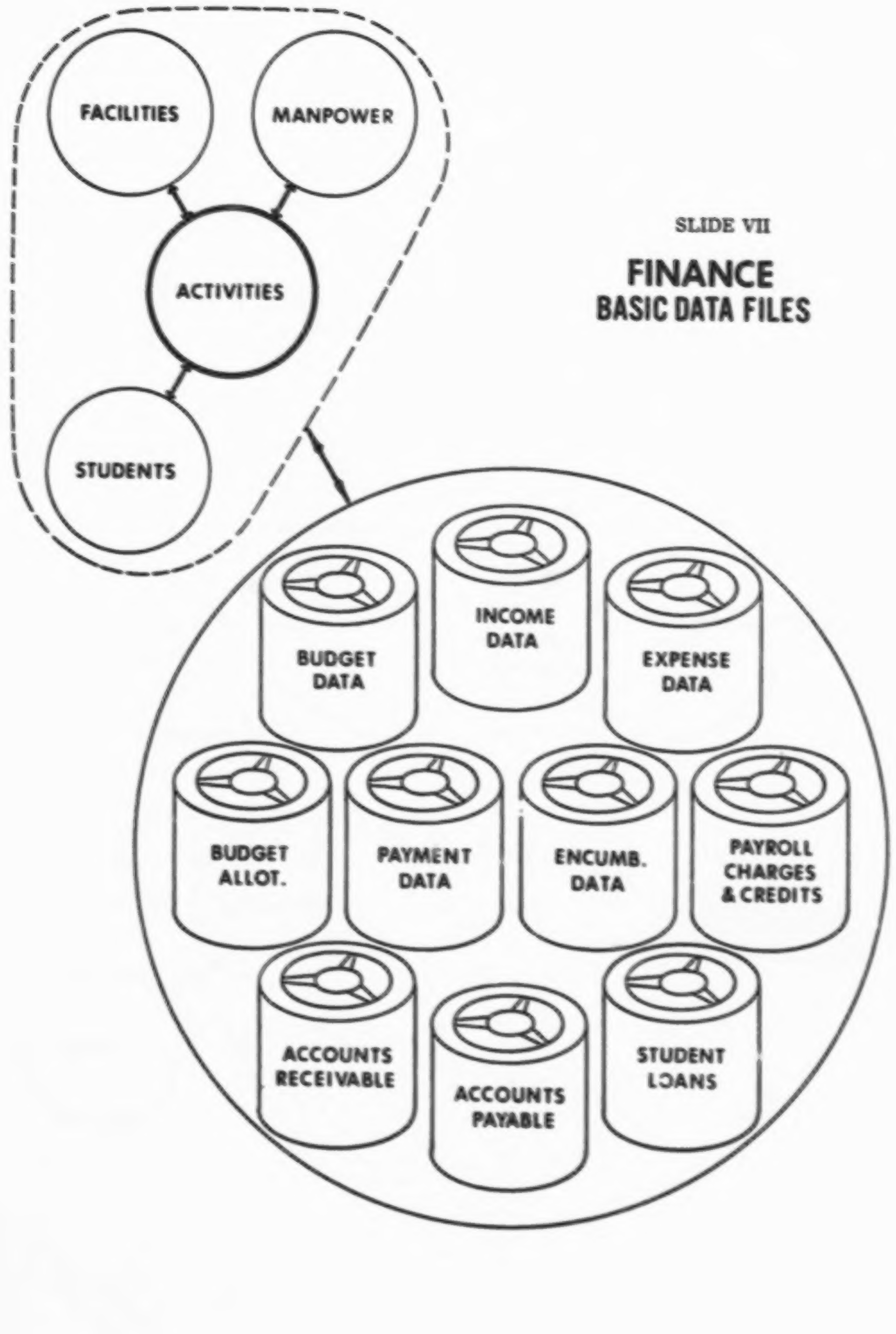
FINANCE

SLIDE VI

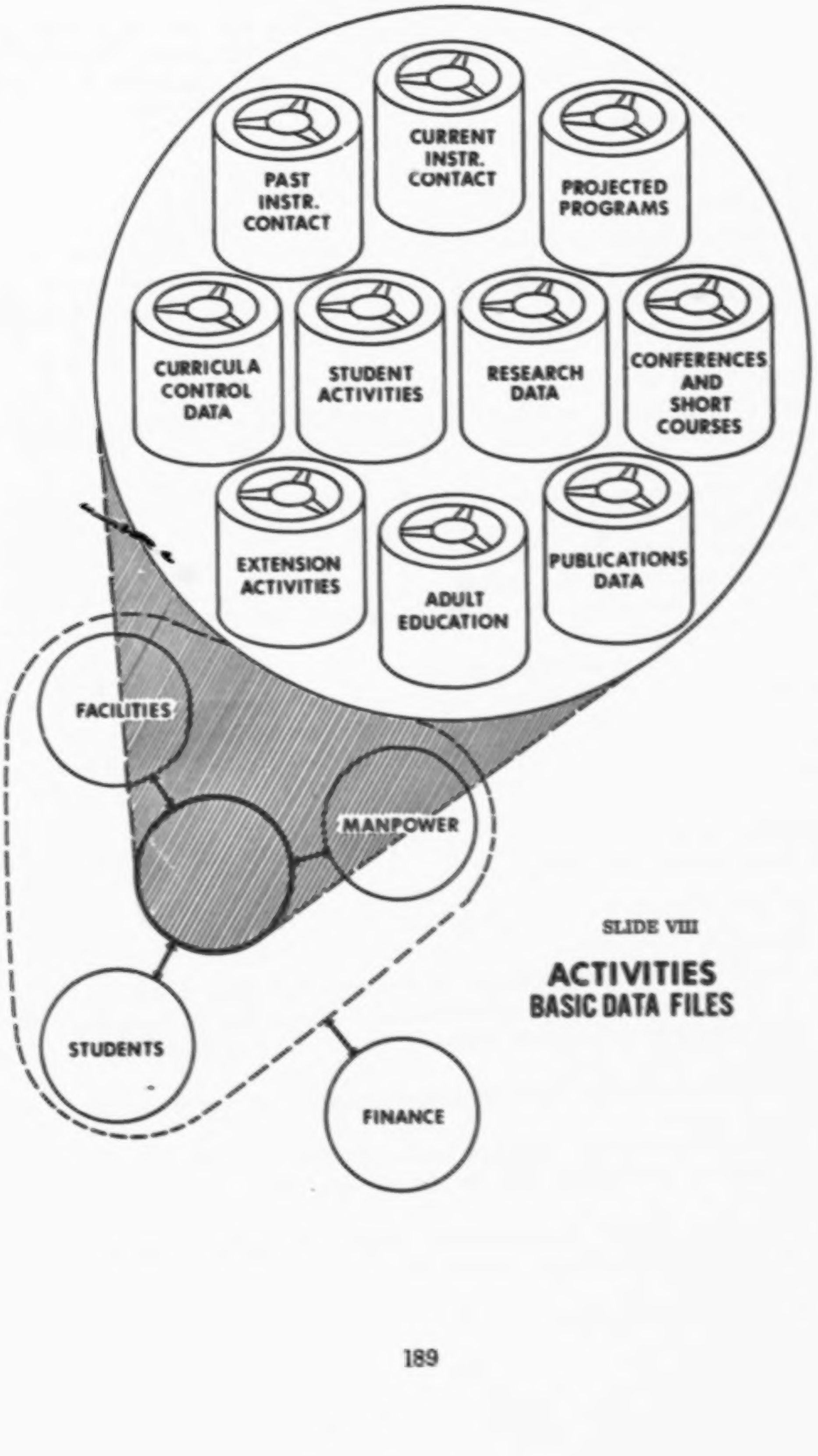
FACILITIES
BASIC DATA FILES

SLIDE VII

FINANCE
BASIC DATA FILES



FACILITIES
MANPOWER
ACTIVITIES
STUDENTS
INCOME DATA
BUDGET DATA
EXPENSE DATA
BUDGET ALLOT.
PAYMENT DATA
ENCUMB. DATA
PAYROLL CHARGES & CREDITS
ACCOUNTS RECEIVABLE
ACCOUNTS PAYABLE
STUDENT LOANS


PAST INSTR. CONTACT
CURRENT INSTR. CONTACT
PROJECTED PROGRAMS
CURRICULA CONTROL DATA
STUDENT ACTIVITIES
RESEARCH DATA
CONFERENCES AND SHORT COURSES
EXTENSION ACTIVITIES
ADULT EDUCATION
PUBLICATIONS DATA
FACILITIES
MANPOWER
STUDENTS
FINANCE

SLIDE VIII

ACTIVITIES
BASIC DATA FILES

have standards against which to measure or delimit the data that has been collected or analyzed.

The cylinders represent stacks of tapes, and we have indicated five general files. This can be divided in different ways. The division will depend upon how data is collected and upon the kinds of reports that are to be made. These slides do not show all the elements I have enumerated. They are only illustrative.

Slide V shows our breakdown of student data and the relationship to the total data. These files have been limited to housing, alumni, academic records and control, admissions, non-academic data, and student personnel data. What we wanted was to illustrate the data spectrum all the way from the student's pre-high school record to his post-graduate days.

Slide VI shows the way we might organize facilities basic data. Here we threw in an example of a special file in the form of fall-out shelter data if one needs to have such reports available.

Slide VII shows finances. The financial files are the data which are most highly organized to date and which most universities have in some machine form. This is the area we know how to measure better than others. Since we can define and count money, our economic resources are a lot easier to measure than some of these other things.

Slide VIII shows an organization of activities data. Not everything is included, but we show enough to indicate an interest in projections as well as in current and past activities. Programs are shown to cover student and faculty activities as well as the usual classroom, extension conferences, and research projects.

Finally Slide IX states a view found in the literature as to how to bring a work system into being.

Slide IX

1. Establish the long-range objectives and then work out a basic design for an information system that will enable the business to operate more effectively and at lower cost.
2. Analyze and define the information system currently in use.
3. Make short-range improvements in the existing system which are consistent with the long-range plan.
4. Establish a time schedule and assign responsibility for attaining the long-range objectives.
5. Accomplish the plan.

The point is, have a long-range objective and a long-range blueprint, but don't try to bring it into being all at once. Find out where you are, and then make the logical next step, moving in the direction you want to go. This is only common sense, but it needs to be repeated.

I have taken much of your time and I want to close. Let me review what I think we need to do if we are going to use information to manage universities better; and I think we have to do so. It is a terrific challenge.

First, definitions are fundamental. We must start being willing to define what we do. We can't argue too long about the definitions. We must be arbitrary if we need to be, but we must have definitions.

Second, we must identify all program activities. Not only must we identify them, but also delineate and describe them. We need to recognize the unit tasks in which we are engaged and how these tasks fit together.

Third, we need to recognize that there are many kinds of data inputs in addition to numbers of students and numbers of faculty. We need to know the characteristics of resource assemblages.

Fourth, we have to look closely at the kinds of reports we wish to extract out of the system, as well as the data we want to put into it.

Fifth, we have to recognize that we are still at the state where we don't really know what the business of education is all about. So, at the same time we keep data, we have to make sure that we employ and use the right kind of analytical people to analyze the processes and system as we go along.

Thank you for your time.

MR. PARKER: Our next speaker is not a native of Dallas, not a native of Texas. He is a Hoosier who has been transplanted to Texas, but I think when we know something of the record of his accomplishments, his tremendous range of interests, his great energy, I think it is only natural that he should be a resident of Dallas because only in Dallas could a man with the capabilities and the tremendous background of Dr. Jesse Hobson find an adequate outlet for these great energies and this great drive.

I am going to tell only one Texas story. This is the Easter season. A Dallas millionaire's daughter came home for Easter and her father had prepared a small surprise for her. He had built a new home with some 14 bedrooms, 3 tennis courts, a nine-hole golf course, and an Olympic-sized swimming pool..

And he was showing the daughter around, and they came to the swimming pool and found that in the swimming pool there were 12 assorted handsome sun-bronzed athletes. The daughter clapped her hands in delight and said, "Oh Daddy, I like the pool and you stocked it for me."

Dr. Hobson is currently the executive director of TAGER, T-A-G-E-R, and several of you have asked me what TAGER is. I am not going to tell you because that is his talk, other than to say that it is a consortium or a network of seven institutions in North Texas, of which Austin College, my institution, happens to be one of the seven. I am engaged in some of the activities of TAGER and find it one of the great challenging experiences of my life.

Dr. Hobson is a native of Marshall, Indiana, born in Indiana. He took his Master of Science in electrical engineering, both his Bachelor of Science and Master of Science in electrical engineering, at Purdue University. He received a Ph. D. degree magna cum laude from California Institute of Technology.

He has held some very distinguished positions in academic institutions including, the director of Armour Research Foundation, the director of the Stanford Research Institute, the director of planning and development for the Southwest Research Institute here in Dallas. And then ne became the coordinator of the master plan of Southern Methodist University.

In January of this year he was elected the executive director of TAGER. On January 1st of this year, Dr. Henry Heald, the retiring president of the Ford Foundation, and Dr. Jesse Hobson, formed a consulting firm or educational advisory service, known as Heald, Hobson and Associates.

It is a very great privilege of mine to present to you at this time Dr. Jesse Hobson.

DR. JESSE HOBSON: This Good Friday, which is certainly the most significant day in the Christian calendar, and I hope that any of you who want to attend services will feel free to leave, even though I might not have finished what I hope will be a brief discussion.

I think that we are in for some changes in the educational establishment in this country. I believe we all sense that. We are not sure what direction those changes are going to take.

But colleges and universities are faced with some real problems, and I don't have to remind this group here that particularly the smaller colleges and universities in the country, and particularly the private institutions, are faced with some severe financial problems.

This is, of course, particularly true of private schools which do not have access to tax funds. I would say that it is especially true of church-related, private institutions, because the sources of funding available to church-related institutions are sometimes limited and restricted.

There are certain foundations, for example, which do not feel free to give to church-related institutions. There are individuals who desire not to give to church-related institutions.

But as the cost of education becomes greater, the spread between tuition income and the total cost increases, and this presents some real problems of finding sources for funding and the spread between tuition in a private institution and the cost of attending a tax-supported institution increases, and this means that the private institution has to define a special mission for itself.

The private institution has to justify its existence. It has to justify its existence in a very special way to at least two important publics of the private institution; one, to the students that attend, because they have to pay higher tuition. It costs them more to attend a private institution, so why should they attend Southern Methodist University or Texas Christian University rather than the University of Texas or Texas A&M, or Arlington State College, why should they pay this extra amount?

And the private university has to justify itself to its sources of philanthropy, the sources of funding; why should an individual give to this institution, why should it give to this private university?

The only satisfactory answer to these questions has to be that the private institution must be better, it must have a unique educational experience to offer. It must have quality.

If that is true, and I am convinced it is, it means that the private institution must have an excellent faculty. I hesitate to use the word a better faculty, but it certainly must have an excellent faculty.

In this day and age, and in the day to which we are coming, if an institution has an excellent faculty, I think it necessarily means that the institution must have a graduate school affiliated with it, or at least there must be an opportunity for the faculty to participate in graduate level instruction.

How can this be accomplished? How can the small private institution, whether or not it is church related, provide the opportunities for the faculty to do graduate work and therefore appeal to the kind of people that it needs to have on its faculty and retain the kind of people that it needs to have on its faculty?

How can it possibly finance such a program, because graduate level instruction becomes more and more expensive? In round numbers, it costs $10,000 or $15,000 a year at least and possibly more, to provide instruction at the doctoral level. And we certainly cannot get money of that magnitude from student tuition.

This is why there is a great deal of attention focused in the country today on cooperative programs between institutions so that institutions can get together in a common graduate school development.

I suppose the outstanding example in the country and one that is used as the model in the minds of many is the Claremont College System, where there are several completely independent, completely separate, legally distinct institutions located, fortunately, together, sharing certain facilities together such as library, computer facilities, and others, and having a common graduate school.

That is the one distinguishing feature of the Claremont College System. There is one graduate school for the entire group of private institutions. And out of a total faculty in the Claremont College System of 350 or 360 people, 240 members of the faculty are members of the graduate school faculty.

I emphasize this point to illustrate what I mentioned earlier. As far as I can see, the only way that we can attract and hold a good faculty in these days, is to give the faculty an opportunity for graduate level work.

We can't all have a Claremont College System. We are not all located such that we can work with other institutions to have a common graduate school.

But it was thinking such as this which led to the formation of TAGER, The Association for Graduate Education and Research of North Texas. There are seven private institutions in this region, six of them church related, Southern Methodist University, Texas Christian University in Fort Worth, Texas Wesleyan College in Fort Worth, University of Dallas in Dallas, Bishop College in Dallas, the Graduate Research Center of the Southwest and Austin College in Sherman, Texas.

The only one of those institutions which happens to be not church related is the Graduate Research Center of the Southwest, which is a unique kind of postdoctoral level, very advanced research organization, and an advanced organization too.

Some four years ago, there was thinking about the formation of a postdoctoral school or school of postdoctoral studies in North Texas, in which all of these institutions might participate. After a lot of discussion among the institutions, this finally led to what has become TAGER, this Association for Graduate Education and Research, which is chartered under the State of Texas as a nonprofit educational corporation, but without the power to grant degrees.

TAGER is governed by a Board of Trustees which consists largely of representatives from the several institutions, the management of the institutions, the Board of the institutions, and the administrative staffs of the institutions. But also on the Board of Trustees of TAGER are representatives of the community in the region. I think we realize too that there is another change evident in higher education in this country. And that is a growing consciousness of a new role of the university. In addition to the role of creating knowledge and transmitting knowledge and preserving knowledge, the role of using knowledge, that is the role of service from the university, that which relates the university, to its region and to the environment in which it exists.

The university cannot long remain apart from that environment. This is the new dimension of the university. And that was an important part of the thinking of TAGER, as to how could these institutions contribute more to this region and this community.

The need is very great. We have a unique situation here where industry is far more sophisticated research-wise and scientifically than the academic institutions. And industry has great need for assistance from the academic institutions, not only to provide educational opportunities, but to create the environment in this region in which sophisticated, modern industry can thrive, exist and prosper.

So the community and the region is represented prominently on the Board of Trustees of TAGER, and evidenced considerable influence in the policies and in establishing the objectives of this association.

The Association was chartered last August after not only extensive conversations between these institutions and their faculties and administrative staffs, but also after a number of conversations with the top agencies in Washington, to find out their thinking, and also with some of the major foundations in the country, to find out the thinking of the foundations.

The administrative staff of TAGER was put together the first of this year. And offices are established as geographically central as possible in this region to all of the institutions, because Sherman, Texas with Austin College is some 70 to 80 miles north, and there are some 35 or 40 miles between Dallas and Fort Worth. We can't have the Claremont College kind of situation here, but we located the offices as near the geographic center as we could to be as convenient to all of the institutions as we could be.

We formed a number of program committees to develop programs at the doctoral and postdoctoral level in such fields as mathematics, mathematical statistics, biology, physics, chemistry, geosciences, electrical engineering, mechanical engineering and so on.

Other committees will be established in academic disciplines in the humanities and social sciences, because we realize that we cannot put undue emphasis on the physical sciences and on technology without distorting the universities that are members of the TAGER network.

These committees are working out new curricula and plans for doctoral level and postdoctoral level programs in these fields. The degrees will be granted by the institutions which are prepared to award doctor's degrees. In this case, that will be only Southern Methodist University and Texas Christian University immediately, the University of Dallas a little later, and perhaps other institutions still later.

But these programs will be planned by joint faculty committees, and TAGER can work and will work only if it has enthusiastic support of the faculties. And I might say it can and will work only if each institution realizes it has to give up something in order to gain something more.

None of these cooperative plans or programs that are being started around the country, and there are several, will work unless the institutions are willing to give up something, perhaps a certain degree of autonomy, although TAGER has no authority, no jurisdiction over any one of its institutions. Each institution is completely autonomous, yet each institution will have to be ready to give up something willingly in order to gain some of the benefits of TAGER.

We already have some classes operating. Students are going from Dallas to Fort Worth, and students are coming from Fort Worth to Dallas. Faculty people are coming from Dallas to Fort Worth, and faculty people are coming from the Graduate Research Center of the Southwest to Southern Methodist University and to other members of the TAGER network.

But this presents a lot of difficulty. Shipping students back and forth or shipping faculty back and forth is not an ideal situation. We hope that we can solve some of these problems through a closed-circuit, two-way television system which we are tentatively planning to be in operation within the next 12 months between these institutions.

We are planning a visit to several places in the country where closed circuit television, none of which are two way closed-circuit television, is in operation. We feel we can get around some of the disadvantages of the geographical separation through the right kind of a television network.

But we believe for it to work properly, it is going to have to be two-way, so the professor can see his students and the students can see the professor, and the professor can talk to the students and the students can talk to the professor.

We are looking forward to the time when we will have a common computer facility for these institutions, probably connected to the institutions through the television network with one or more channels made available for the transmission of data, as well as for communication between the campuses and for educational and instructional purposes.

I mentioned previously that TAGER already realizes that although there is great emphasis in this region and in this community on science, our interests must be broader than just physical science or technology, that we must also concern ourselves with the humanities and liberal studies, and in particular with social studies and life sciences.

We are already establishing a committee working in environmental studies which will be concerned with sociology and economics and psychology and perhaps a little later with other areas, such as urban planning, for example.

We found also that we cannot do our planning at the graduate level for doctoral and postdoctoral studies and develop programs at the doctoral and postdoctoral level without giving attention to undergraduate school development.

So we are forming a committee working in undergraduate science. And as soon as we get into undergraduate interest, we will have to concern ourselves with teacher education.

It isn't going to be long until we are going to have a TAGER program in teacher education.

TAGER was started with voluntary contributions from the member institutions amounting to $91,000 a year. This just about carries the basic administrative costs of TAGER. We also sought and obtained a grant from the Ford Foundation for $112,000 to do the first year's planning for TAGER.

But this is only a drop in the bucket compared to the amount of money which will be needed to make this program operate. We have made some very rough budget estimates of what we would need by the end of five years, and it is going to run into a good many millions of dollars.

As I mentioned earlier, education and research experience at the doctoral and postdoctoral level is very expensive, and if it is $10,000 to $15,000 a year at the doctoral level, then it is fully $25,000 to $30,000 a year per person at the postdoctoral level.

We have one unique asset in this region, and that is The Graduate Research Center of the Southwest. With a total staff of about 300 people of whom maybe 150 are professional scientists, the organization is already deeply involved in postdoctoral level research.

This is a unique kind of institution. In a sense, it is an institution which is inherently unstable financially, that is, it cannot exist on its own earnings from grants. I am sure you gentlemen all know very well that a basic fact of life these days, is that you cannot support any kind of a program through grants alone. There must be other sources of funding.

There is another aspect of the Graduate Research Center of the Southwest which makes it, in a sense, unstable, and that is, that this kind of an organization cannot exist without graduate students, and you cannot have graduate students without degrees.

But the Graduate Research Center of the Southwest doesn't grant degrees. This means then that the Graduate Research Center of the Southwest must be related to a degree-granting institution.

These are some of the reasons why TAGER was formed. We had this very fine and very unique organization, but it needed a relationship with the universities to give its graduate students, and its faculty an opportunity to teach. It also needed a relationship with the institutions in order to attract additional sources of funding, so that its budget would be more stable and secure.

We see that elsewhere in the country similar institutions are being thought about or are being developed. For example, the Associated Colleges of Indiana now have a plan to establish a GRCSW-type of institution in Indianapolis, which incidentally, will be related to or will be a part of a common graduate school for the colleges in Indiana.

And in addition to the Claremont College System, we find a few other places around the country. For several years, Bryn Mawr, Haverford and Swarthmore have had a working relationship at primarily the graduate or the advanced level.

The College Center of the Finger Lakes in Midstate New York which has been in existence five or six years is just now beginning to offer graduate level work. The Committee for Institutional Cooperation in the Middle West, relating ten institutions in the Middle West together. And as many of you know, there has been an association formed of the institutions in and around Washington, D.C.

So perhaps this does represent a trend in higher education. Perhaps it represents a necessary trend for reasons that I mentioned at the very beginning of our discussion.

In the South, we have some problems that are a little more acute than elsewhere in the country. We have a longer way to go, we have to move faster to catch up with the rest of the country academically, and we have to move fast to catch up with the rest of the country in financial support for our colleges and universities.

We have perhaps too many institutions in the South. We have perhaps more colleges and universities than we need in numbers, and maybe more than can survive.

And for all of these reasons, I think we are going to begin to look at how can we work together, how can we cooperate, how can we meet our problems through cooperative ventures such as the one which has been organized here and is just now getting started in Dallas, The Association for Graduate Education and Research.

I'd like to emphasize that we don't consider this as unique. This is not the first time that colleges and universities have cooperated for their mutual good and benefit, and perhaps even for their survival.

We don't know that we have any unique or new aspects in TAGER, but I can assure you of this, that TAGER has the complete and enthusiastic support of every one of its member institutions, and this is an absolute must for any of these schemes or plans to work. And it also has the complete and enthusiastic support of the community. And that also, I think, is a must.

As a matter of fact a great deal of the initiative for the formation of TAGER came from business and industrial leaders of this community who saw a multiplicity of institutions, a multiplicity of private institutions, and feeling that private institutions still had a role to play, that the educational problems of higher education could not and should not be turned over entirely to tax-supported institutions and who therefore felt that the problems of supporting these seven institutions deserved some new approaches and a different way of appealing to not only local funding sources, but sources of funding outside of this region.

And all of that then led to the establishment of TAGER. Thank you.

FIRST VICE-PRESIDENT FREEMAN: Dr. Hobson, Dr. Calhoun, we do thank you for bringing us these remarks this morning. Our next session will be in this room starting at 2:00 o'clock this afternoon. We are adjourned.

(Whereupon the meeting recessed at 12:05 o'clock p.m.)

FRIDAY AFTERNOON SESSION

April 8, 1966
WASHINGTON HOUR

The Friday afternoon session of the Southern Association of College and University Business Officers convened in the Embassy Room of the Statler-Hilton Hotel, Dallas, Texas, April 8, 1966, and was called to order at 2:05 o'clock p.m. by Dr. Clarence Scheps of Tulane University.

DR. CLARENCE SCHEPS: It has become traditional, essential, imperative and indispensable that we have a Washington Hour on our Association meetings. This is true not only in the Southern, but in the other regional associations as well. The reason, of course, is obvious--the ever growing involvement of the Federal Government in higher education.

The officers of this Association have asked me to describe the Southern Association in view of the fact that some of our principal guests are visiting with us for the first time, and perhaps do not know of the size and the importance of this Association.

The business officers of the nation traditionally have chosen to organize themselves into regional groups. There are four such regional associations, and the American Association. Our group is the Southern Association which is composed of about 13 of the southern states, ranging from Washington, D.C. on the north, to Florida, Alabama and Louisiana on the south and on the west to the great State of Texas.

We now enroll about 350 members, of which about 300 are in attendance at this meeting. Speaking not as president of the National Association but as a member of the Southern Association, I am proud of what this Association has accomplished in recent years.

Now, back to the Washington Hour. We do have a distinguished group of panelists who know something about what is going on on the the Washington scene. Introductions will be brief in order to leave as much time as possible to the discussion.

The first panelist will be Mr. James F. Kelly, Comptroller of the Department of Health, Education and Welfare. I don't need to tell you of the importance of this Department to higher education as things stand now and as things are bound to stand in the future.

Perhaps Mr. Kelly can tell us the dollar amount of the involvement of HEW with the colleges and universities of the nation--I would estimate that it will run into the billions.

Mr. Kelly has been a friend of higher education, and has worked closely with us on the Washington scene. This gives me the opportunity on behalf of our profession of thanking him for his willingness to work with us on many difficult problems.

May I now introduce Mr. James Kelly, Comptroller, HEW. Mr. Kelly.

MR. JAMES F. KELLY: Thanks very much, Mr. Chairman, Your introduction to the group is adequately intimidating. The reason that they refer to Washington as a state is because it usually is in one.

I do appreciate this opportunity to meet with you and to identify some of the things that are in process in HEW and to seek your support and assistance as we go through a difficult transitional period of huge growth and change.

As the chairman said, the Department of Health, Education, and Welfare has grown prodigiously in recent years. Over- all department expenditures, including those from the Social Security Trust Fund, have increased from something in the neighborhood of four and a half billion dollars at the time of the Department's creation in 1954 to a current expenditure of some 30 billion dollars, 20 billions of dollars in Social Security Trust Funds, and about 10 billion dollars in general fund appropriations.

I think the United States Office of Education had a total appropriation in 1960 of something in the neighborhood of 600 million dollars, and this fiscal year is administering programs in excess of three billion dollars. The National Institutes of Health, I remember, spent 25 million dollars in 1946, and this year has 1 billion, 361 million dollars.

This type of growth is familiar to you, because you in the educational field, I think, in 1960 had an enrollment of something like 2,800,000 students, and in just six to eight years later have enrollments of approximately six million students. Consequently, I think that you understand that when growth of this magnitude occurs there are growing pains, and there is a necessity to bear with a certain amount of inefficiency and a certain number of developmental processes that have considerably less than perfection.

There are several items that I wanted to mention in the time allotted to me concerning changes that are occurring within HEW to try and cope with this growth.

Many of you know that over the years the Department of Health, Education and Welfare has had multiple audit agencies, and your institutions have had personal contact with some of them. The National Institutes of Health had its own audit accounts. The Office of Education had its own audit and we had one that did business with public bodies, states, localities, and so forth.

We have now pulled these separate organizations into an HEW audit agency so that there will be only one institution doing business with you when we conduct our audits. This organization will be auditing with respect to all of the HEW government funds, and this moves more in the direction of a management audit with less emphasis on voucher examination of individual transactions.

In furtherance of this concept of trying to avoid a plethora of people coming in to see you about the same kind of problem, we have just consummated a contract with the Defense Contract Audit Agency. With respect to the 300 institutions in which the Defense Department puts substantial funds and conducts regular periodic audits, they will enlarge the scope of their audit to include all HEW programs.

The only exception to this will be that they will not cover the student loan program, the work study program, or individual construction projects. But in the case of all research, research training and other agreements with HEW, where your institution is now audited by the Defense Contract Audit Agency, that audit will now be expanded to cover HEW.

We will provide the guidelines under which the audit shall be conducted, and we will deal with the audit exceptions or problems that have been encountered for their resolution. But the fact-finding job will be done by the DCAA staff as part of a single audit.

Similarly, we are in a series of negotiations with the Defense Department with a view towards participating in their indirect cost findings and determinations. We are endeavoring to use the Department of Defense findings for indirect costs in all of the institutions where they have established cognizant agency responsibility, and are negotiating indirect costs.

There will be a few places where this will not be possible, and those will be places where, for example, a preponderant activity of the institution is treated as a separate campus. One that comes to mind is Johns Hopkins in Baltimore.

The Department of Defense treats medical colleges and hospitals as off-campus operations and therefore, none of their costs are included in the DOD findings. Consequently, we can't use their determinations. In these cases, they may subsequently modify their approach, but in any case, we are endeavoring to use their provisional rate determinations in lieu of establishing rates of our own.

We are also endeavoring to use their documentation as constituting a submission to us or at least a copy of your submission to them in order to avoid the necessity for you to make multiple submissions and multiple formats to multiple agencies.

Similarly, we are establishing within the Department of Health, Education and Welfare a centralized responsibility for rate determination for indirect cost in the Surgeon General of the Public Health Service.

Other parts of the Department and parts of the Public Health Service will be participants in negotiations, but all of the agencies will use the findings. All of the elements of the Public Health Service, the Welfare Administration, Vocational Rehabilitation, and Office of Education, will be using the same findings. When a rate is negotiated by the Surgeon General's Office, it will be filed with the HEW auditing agency, and then made available to all other agencies, and this will be the rate against which we audit.

At the moment, we do not feel ready to talk about predetermined rates. As a basic policy, we feel we have to walk before we can run. But from a long range view, we hope that we can see the day when the preponderance of our indirect cost negotiations will be for predetermined rates rather than provisional rates.

Another step in the direction of making our relationship with you one in which you get the same answer to the same question in all cases, is that the Surgeon General and Secretary Gardner are involved in the evaluation of the organization of the health functions within Public Health Service, and although they have not yet announced the change in organizational plans, there has been considerable identification of the areas in which they occur.

It is also now quite clear that there will be a change that is designed to strengthen the Ernest Allen concept. He, as you know, is Grants Policy Officer for the Surgeon General, and the movement will be to strengthen grants administration so that there will be a central source of policy and procedural decisions with respect to all grant operations. Therefore, you will not experience the variations by bureau, by institute and by type of grant that have been experienced in the past.

In furtherance of this concept, we have established in my office, in the Office of the Secretary a new organization called the Division of Grants Administration Policy. This division will be concerned with the establishment of minimum requirements that will be embodied in policies and procedures of each of the operating agencies as related to administrative management practices and fiscal practices of the entire Department.

We are not going to try to issue one set of manuals for the whole Department. There will still be policies and procedures associated with each of the programs tailored specifically to the requirements of those programs. But those things of an administrative management or a fiscal management nature that can be and should be common to all the programs, will be established, and we will really try to take advantage of the best work that has been done within our Department or within the government. We will further attempt to broaden the use of these policies and procedures to the whole Department. This will be gradual, and it will be done in discussion and collaboration with your representatives. The objective will be to bring about a greater degree of uniformity, not a greater degree of control. We will seek to eliminate differences in policies in different parts of the Department which exist simply because they grew up there.

And where there is no apparent reason for the difference, the program itself doesn't dictate the change, just the evolutionary development of the program does.

We are also endeavoring to work out in connection with the cost-sharing policies that we have recently issued a uniform approach to the evaluation of your cost-sharing proposals so that you will not be getting varying kinds of reaction from different parts of the Department.

I think that you will have to bear with us. We are not far enough down the pike, and we don't know enough yet to say that we have a set way of handling this.

I think that there are two distinct problems that we have run into in the cost-sharing business that we can share with you. These are, first, that there seems to be a lack of understanding that costs cannot be treated as a part of cost-sharing undertaking unless those costs meet the same tests as costs which are paid from a grant undertaking. We can't think in terms of unallowable or undocumented or unauthorized costs as representing an institution's cost share. We must talk in terms of the cost of a total project with a part of this to be borne by the Federal Government and a part of it to be borne by the institution.

It doesn't make any difference which part is which. But this does require that the same rules apply to all of the costs. An example of this is that if you want to count faculty as a part of the total project cost, and therefore constituting the institution's share, that that faculty which is charged against the project is required to have the same time and effort reporting as the professional staff that are employed on the research project and have heretofore been treated as a part of the governmental research grant undertaking.

In this connection, in the course of the enlarged and broadened audit activity, which I identified, I should call your attention to the fact that the most frequent finding that is coming back is that institutions are not maintaining the effort reports. I must say to you that if your institution is not requiring a professional effort report, it is a grievous error. This is a firm requirement, and there is no way in the world that we can continue to have a project grant relationship on cost if there is not some evidence or documentation of what costs were incurred in the undertaking.

This is going to be a problem. I hope that there is some way that we can straighten out the past, but I think that the requirement for the future will not be susceptible to being straightened out, since it is an absolute requirement of the undertaking.

The other element of the cost-sharing thing which seems to be giving us problems, particularly on those programs where cost sharing has been a major policy element, such as vocational rehabilitation, welfare and cooperative research and education is the matter of underruns. We are finding that institutions do not understand that when they reach an agreement on a $100,000 project, that they will support $25,000 of it, and that the Federal Government will support $75,000 of it, if that project underruns its total cost and instead of being $100,000, it ends up as an $80,000 undertaking, $75,000 of the $80,000 is not the Federal Government's cost. The Federal Government's cost is three-fourths of the cost that was incurred, not to exceed the total that was agreed upon. And this seems to be a big surprise when it comes up for audit.

There is another area in which a very significant set of developments is occurring and I will just touch upon it. If you want to explore this development any further in the question and answer period, I will be glad to do so because I am afraid I am already using more time than was allotted to me.

This development is occurring in student loans. They are in such a stage that I can't really give the word as to what is happening or what will happen. But I can tell you what some of the developments are.

Last year the Congress enacted the Higher Education Act of 1965, and I put some pamphlets pertaining to it on the table there for any of you that want them. These are just known as questions and answers with respect to the 1965 Act.

Embodied in that 1965 Act was an extension and broadening of the student loan activities, through the use of financial institutions, through the use of banks, the credit unions and other financial organizations, to make it possible for a student to borrow funds through normal credit channels rather than through a federal loan administered by a financial institution.

This was enacted as a broadening of and as an augmentation of the Student Loan Program. And it authorized basically two kinds of programs. I might even say three: It authorized the program in which the federal government would assist a state agency in administering a student loan program. The student loan program would be insured through a reserve fund in which the federal government would participate.

Loans are made eligible students attending an educational institution whose family income, adjusted as defined in the law, is $15,000 or less. The federal government will subsidize the interest by paying up to six percent during the period that the student is in school, and then three percent or half of the interest during the repayment period. Essentially the rules on the size of the loan and the repayment period are the same as those for the National Defense Educational Act.

The law also states that in the event that there is no state agency, this can be done through a nonprofit organization and the huge one is the U.S.A. The third provision in the law is that in the event that there is neither a state agency or a nonprofit institution that is making loans to all eligible students, the Federal Government can engage in a direct guaranteed subsidized student loan program through financial institutions.

When the President put together the budget for the fiscal year 1967, he recognized the tremendous financial problems faced by the Federal Government, and concluded that for a number of reasons, partially as a matter of Federal fiscal policy, and partially as a matter of educational policy in terms of assistance to students, that he would like to gradually convert the program of NDEA student loans through financial institutions, and he submitted legislation to accomplish that purpose.

I can only tell you that at the time that this was initially recommended, it appeared that it could be done quickly, and that we could launch the 1965 program quickly. As soon as it became apparent that we could not move rapidly, the President authorized the Director of the Budget Bureau and Secretary Gardner to inform the Congress that upon enactment, the President would recommend appropriations up to the maximum authorized under the National Defense Education Act, because during this transitional period, he did not wish to deny to a student the opportunities that have heretofore prevailed. He nonetheless was desirous of moving this program as rapidly as possible out of a direct student loan system to a privately financed system that was insured and subsidized by the Federal Government.

What has happened is that, on the 1st of this month, or the last day of last month, the Commissioner of Education entered into interim agreements with 13 states to introduce the concept of the insured subsidized loan through the 1965 Act. He also entered into an agreement with the nonprofit organizations for the states in which the state authorized this use. There are now pending additional states where this agreement will be entered into.

With the thought that some of you would be interested in this, I brought some copies of the interim agreement that we entered into. This is an area in which I think you are going to want to become informed, and to keep current on developments.

We have the feeling that there are other advantages in addition to the federal fiscal advantages, which derive from making this kind of a shift. The fiscal advantage is that in effect it creates a deferred payment for the federal government, rather than a current payment without actually cutting back or decreasing programs and we can shift it out of the current budget resources.

We think that there is also an advantage to the institution in this move because the institution is now required to put up one-ninth of the cost of the undertaking, both in terms of the loan that is made and in terms of the coverage of default.

We think that it is also important to the institution and to the student that we establish a fiduciary relationship between a normal financial institution and the student, so that it is quite clear what the responsibilities for repayment are.

The repayment process that has occurred in many of the institutions, I think, has been exemplary, and as good as financial institutions, but unfortunately this is not true on a broad scale. There is a very substantial amount of laxity in some of the educational institutions and the collection effort so far in the NDEA program has been a disappointment. It is improving as a result of the disappointing findings.

But it is our feeling that the collection results through financial institutions will be far better ones. From the standpoint of financial institutions, we think that the fact that it is a guaranteed and subsidized loan makes it more attractive than just a personal loan for education.

We also think that it introduces the financial institution to tomorrow's leaders of America, and offers an opportunity for them to create a business relationship. We are aware of the fact that it is going to be a traumatic experience for some to bring about this change, and we solicit your assistance in bringing it about.

We know that there are going to be some procedural problems and some difficulties in accomplishing it. In order that we can accomplish it with the minimum of adverse impact or no adverse impact on the students, it is believed that appropriations to carry this out will be made available from those under the National Defense Education Act. Then in order to offset the expense which we will incur, we are seeking legislation that makes it possible for us to refinance student loans by either placing them in participating pools, or by having a bank take over the loan after the institution has made it, thus making it possible to repay such parts of the appropriation as are used so that we get the same effect as if there had not been a National Defense Act Student Loan Program for the fiscal year of 1967.

Now, we do not know just what is going to occur on either the legislative front or on the appropriations front. On the 28th of April, the House Appropriations Committee will report out its decisions and recommendations to the Congress, with respect to the total Department of Health, Education, and Welfare budgets, and this will be one of the items on which they will act, and there is no way of forewarning you or foretelling what will occur in this.

The House Education and Labor Committee has not decided the course of action which they are going to take with respect to the legislation. They have both had some hearings and had some consultations.

Well, I think I have used up more of my time. This was for the purpose of identifying some of the things that were occurring and in the discussion, we will be able to explore any part of it you want.

DR. SCHEPS: Thank you Mr. Kelly. I know that there are many other facets of your work that you could describe, some of which may come out in the discussion period.

The next gentleman we will hear from is Mr. Luther Schoen, who is Deputy Comptroller, National Science Foundation. Mr. Schoen will tell us about the current activities of the National Science Foundation.

MR. LUTHER SCHOEN: I found it very pleasing to note this morning on the plane that in this era of bigness, big government, big institutions, big business, that we still have as an inherited part of the American character, individual initiative and enterprise.

I noted in the newspaper that some of those who had been in Vietnam early in this fracas collected a stock of Viet Cong battle flags, and when the new arrivals came over, in typical fashion they began to dispense these flags for a price.

Unfortunately, the inventory and the demand were not balanced, and so in a typical American fashion, they proceeded to negotiate with the local seamstresses to produce appropriate Viet Cong battle flags, and to dispense them to the new arrivals at a profit.

Incidentally, in reference to this enterprise in Vietnam, I would like to point out that even in Vietnam an independent businessman trying to get along is subject to some control from the government, because this particular little article notes, "The scheme came to light when the seamstresses who were sewing the banners were arrested for possession of enemy flags."

They put a stop to the whole thing, so you see everybody has problems. We can't even escape it in Vietnam.

The National Science Foundation, I believe, played an important early role in exploring ways in which the Federal government could participate in the support of the scientific and educational enterprise in the country. Through some of the earliest programs such as the course content projects and the basic research grants and so on, the Foundation explored a variety of techniques and methods that eventually evolved into much larger programs.

In most of these earlier programs, we stressed support for individuals such as the project concept for research grants or the support for individual teachers, the support for outstanding high school students or research participation from individual members of the faculty in various forms of fellowships.

During the course of our efforts over the years, it became apparent certainly that things were changing, and that we needed to find different approaches to using the legislative authority that we had as an instrument of the Federal government to assist educational institutions in solving their problems.

Well, one of the main problems that we continually run into in dealing with the Congress is the fact of concentration of federal resources for science in relatively few institutions across the country.

This is a difficult problem politically, but it stems largely, I suppose, from the fact that we judge most of the things we do on the basis of quality as we see it, and sometimes this does not spread out very widely geographically.

A few years ago we attempted to find or develop a program that would respond to the institutions' needs rather than attempt to respond to the proposals and to the needs of individuals. We have continued, of course, the older programs.

One of the first steps in this direction was a little program we called the Science Development Program in which a relatively large sum of money, ranging up to five million dollars, was awarded to an institution that was established as a strong institution in several science areas and had a real strong base on which we could hopefully build, if the institution desired, into what we call a center of excellence. The Director doesn't like that term, but anyway, it is a place where an institution stands out on a broad range of science areas.

We have made, I guess, about 50 million dollars in grants in this program. The total for this year will probably run close to $40 million. This year, we are attempting to sort of explore this approach and to build it in a broader context.

One of the items that we are working on and hopefully will soon announce the program, is something called a departmental development grant. The concept of this is an extension of the much larger science development grant. At an institution where they have a department that is recognized as being one with strength, with excellent people, and with a desire to grow and where the institution has a desire to build around that department, the plan is to make a grant of lesser magnitude--presently being discussed is something in the neighborhood of $600,000 to an individual department, to be spread over three years.

This particular program, unlike the Science Development Program, wouldn't be limited to one grant to an institution, although with the amount of money proposed we would probably not make more than one to an institution. Of course, this is limited to departments having strong graduate programs, the emphasis being on graduate programs.

Within the budget this year, we have extended the effort to do something for the undergraduate institutions, those that are primarily undergraduate; we call this effort the College Science Improving Program.

The more developed institutions would not be eligible for the College Science Improvement Program.

This evolved from an effort to find some way of assisting those institutions that have traditionally contributed large numbers of undergraduates or those who are at the first degree level, and who go on to graduate levels for study.

This program is a small one, but we would hope to have a grant size up to $250,000 made to a particular area or department in the undergraduate institution.

These are some of the activities and some of the types of efforts that we are making to build in the National Science Foundation, some greater stress on helping those institutions who don't stand out in front in terms of being recognized as outstanding in science.

So far, we have had a very good response to the science development idea. We have had very good cooperation from the institutions. Many of the proposals have been very penetrating efforts of an institution to look at itself and to look at its own future and to try with some of its own resources, plus resources from the Foundation, and to set about the job of building a better scientific effort.

I think this is the focal idea behind these programs to stimulate institutions to look at themselves, to build a plan, and then on the basis of this plan, to seek assistance from the National Science Foundation to carry out these plans.

Now, our reaction from our Appropriations Committee has been favorable. Hopefully, we will be able to carry some of these out. In terms of size, the Foundation doesn't compare at all with the Office of Education. We have an appropriation of 500 million dollars and we are limited, of course, to the science areas, science, education and basic research.

I think that we will probably continue as a relatively small agency, and hopefully as a useful one. Some of the things that we have done in the past are being adjusted to a lower level of effort. One of the items in our early programs is the graduate science facilities item started about six or seven years ago, in which we made matching grants for the construction of graduate research facilities.

This program is gradually being reduced because of the provisions of Title VI with HEW taking up a much larger part of this effort. Similarly, we are reducing another little program called undergraduate instructional equipment, which was a 10- or 11- million-dollar annual effort to help to purchase instructional equipment at the undergraduate science level.

One additional innovation that we have in the Foundation is a technique we call the continuing grant. In order to reduce this proposal workload which stems from the operation of the project system, the Director has approved the concept of having a commitment to an established investigator or group for a period of five years. During that period, there would only be periodic reports. There would not be a scientific reevaluation of the project as such during the period of the five-year grant. The funding would be on the basis of two years intitial funding, and then probably six to eight months before the expiration of that two-year period, a request would be submittted with a budget for an additional year.

This process would continue up through the five years, at which time the individual or the group would have to resubmit their proposals for another scientific evaluation.

We have also another type of program that is being changed--the Institutional Base Grants Program--where we make a grant of money based on a percentage of the research grants awarded by the Foundation.

Hopefully, if the procedures can be worked out, we will base this in the future on total grants from all Federal agencies for basic research rather than on grants made solely by the Foundation, which would hopefully provide more equitable distribution of the amount of money.

The feature of having a sliding scale would continue.

Generally, this is about all I have to say. I understand some of you have some objections about cost sharing, and I do have this license, I can listen to your complaints!

DR. SCHEPS: Thank you Mr. Schoen.

The next panelist it is my pleasure to introduce is Mr. Howard Wile, the Executive Director of the Committee on Governmental Relations. Permit me to say a few words about the Committee. This activity, in my opinion, is the outstanding success that we, the business officers of the nation, have achieved so far. The Committee, its office and staff is supported on a voluntary basis, by 77 institutions, each of which contribute from $1,000 to $2,500 a year. The Committee's primary responsibility is in the area of federally sponsored research, but it interests itself also in all governmental relationships. It is an arm of the National Association, and contributes to all of higher education.

The work of the Committee has been extremely successful, and this success has been due largely to the efforts of the two men who, up to this time, have served as Executive Director--Mr. Wahlstrom, who retired last fall, and now Mr. Wile, who has come in to take his place, and who has demonstrated his dedication and competency.

May I now introduce Mr. Howard Wile.

MR. HOWARD P. WILE: Thank you, Clarence. With that introduction, it is easy to go downhill.

Some months ago, in an otherwise quiet moment, Clarence Scheps asked whether I would be 15 minutes of the Washington Hour at this meeting. Clarence has never made an unreasonable request--that is, until recently-- and I consider it a privilege to meet with this group, so I, of course, said yes. I figured that since my name begins with W, I'd be last on the program, and there'd be very little time left, particularly with Fred Vorsanger on the panel.

Things were going along just fine until last week, when Clarence made that *unreasonable* request. He asked for a written copy of my remarks for the minutes.

Why he wants to break the Washington Hour down into minutes is more than I'll ever know. Besides which, anything written in advance about the Washington scene is usually obsolete as soon as it hits the paper.

Well, here was my dilemma. For these very good reasons, I didn't feel I could write out in advance the remarks I wanted to make to you. At the same time, I would never want to turn down a request made by Clarence Scheps, even if it were unreasonable.

The way I found out of this dilemma shows you how only seven months in Washington can make a man devious. I found out that the SACUBO proceedings usually include the questions and answers that follow each talk. These can't be written in advance, so there must be some method of recording or reporting. So I thought I'd not say anything and just answer questions.

You might want to ask, for example, "What's new in Washington?" or perhaps, "What has the Committee on Governmental Relations been working on during the past year?"

So if the recorder or reporter is wound up, I'll start to answer these questions. They are really both the same question, because our committee's activities concern whatever is new in Washington that concerns business officers.

The big topic a year ago was Circular A-21, which was revised in March 1965. The committee has issued a Guide for Business Officers to A-21, as well as an Annex covering the simplified method for small institutions. These were distributed, not only to our supporting institutions but, through SACUBO and other regional associations, to each member college and university, and if anyone didn't get them, please write in. We have got a supply and we will gladly send them to you.

In addition, the committee conducted workshops in each region on A-21 last year, and this year on the simplified method and on cost sharing.

Cost sharing has been the big topic of this year. We have issued a brief report of possible accounting methods for use by colleges and universities in connection with cost sharing. I brought a supply of these along and additional copies will be sent on request to our office in Washington.

The idea of cost sharing was, in effect, a quid pro quo for the elimination of the 20 percent legislative limit on indirect costs under research grants. The elimination of this 20 percent limit has meant that many institutions that previously had only 20 percent grants have had to establish and negotiate their actual indirect cost rates.

There's been a great deal of difficulty in the acceptance by all Federal agencies of rates negotiated by one of them. You can readily understand this when you realize the avalanche of proposals and requests that come into these agencies.

An interagency subcommittee has been established to encourage and facilitate this acceptance, and a great deal of progress has already been made.

We are also working on a proposed modification to Circular A- 21, designed to extend these costing principles to grants and contracts for instructional purposes. As you know, A- 21 applies only to research. This proposed modification is based on a proposal originally made by our committee to the Bureau of the Budget. It is being pilot tested at six large and four small institutions, and we hope to see some results before the end of the year.

The committee has a number of active subcommittees working on such topics as employment legislation, facility construction policies, patents and copyrights, the guaranteed loan program, computer costing principles, the tax status of graduate students, library costing and several others. It would take a Washington Day, not an Hour, to develop these activities, so I will say no more now unless there are specific questions later on.

I have been asked to say a few words about the institutions supporting the Committee on Governmental Relations. Some people seem to think that it is a closed corporation or that an institution must be invited to join. The committee has 77 subscribing institutions to date. The annual subscription ranges from a thousand dollars to $2,500 a year, depending upon the amount of the institution's involvement in federal contracts and grants.

We do not solicit support from any institution and no institution that wishes to come aboard is rejected. We do, of course, give an assist to any member of the National Association or of the Southern Association whenever we can. We are not in need of additional financing, so please don't consider this as a sales pitch. As a matter of fact, we sometimes find we have a surplus. On these occasions, on three occasions, we have given our member institutions a credit on their subscriptions. The institutions, for example, that have been with us for seven years have been required to pay only 75 percent of the total dues that would have been required normally.

I want to say to Clarence that there are no hard feelings about his unreasonable request. It's like the man who telephoned his friend at 4:00 a.m. "I hope I haven't disturbed you," he said.

"Oh no," the friend replied, "I had to get up to answer the phone anyway."

DR. SCHEPS: Fred Vorsanger, our next participant, has been most cooperative and most important to the business officers in our efforts to improve our relationships in Washington and on the national scene. I am glad to have this opportunity, Fred, of publicly thanking you for your service to our various committees and to the profession as a whole.

MR. FRED S. VORSANGER: Clarence said I had two minutes about ten minutes ago, and I said, "My gosh, I can't even say hello in less than five."

But I will only take two minutes. I told you this morning that after a rough night last night, I wasn't feeling too well at 9:00 o'clock. It is six hours later, and I can only tell you that I don't feel any better.

I want to take this opportunity since Clarence has been so kind to me, to indicate that Clarence, I believe, is a living testimonial of how great Jesse Morgan must be.

I just wanted to take a minute, this is my fourth, to tell you that the American Council on Education, I think, is doing quite well. Our membership this year is the highest it's ever been. Our membership represents institutions which enroll over 90 percent of the students in higher education.

Our annual meeting in Washington last year drew over 1,600 educators. The publication coming out of that meeting has just been sent to your campus. I highly recommend this for your reading.

We will again meet in October in New Orleans for our 49th annual meeting and the topic will be "Teachers and Teaching." If any of you can possibly talk your president into coming to that annual meeting, I am sure you will find it of interest.

I want to take another minute to tell you that the Commission on Administrative Affairs has just begun a very interesting study with the Systems Development Corporation in California entitled "Computer Technology and the Administration of Higher Education." We have been assured we will have a report on this in ten months, and I am sure this should be of interest certainly to business officers.

Further I am going to take this opportunity to inform you that on Wednesday you will be sent along with your president, a copy of a new publication "Planning for Effective Resource Allocation in Universities." I am sure that this means program budgeting.

It will be a green book just like this, and when you see it come across your desk, I highly recommend that you read it because it does, although it doesn't give you all the answers on budgeting, it gives you some new concepts. Certainly program budgeting, if nothing else, should be of interest to you.

I think I am just going to stop at that because it is after 3:00 o'clock. I told you this morning about our academic internship program and institute for college and university administrators.

Many of you have asked me about Higher Education and National Affairs. Again, let me tell you we mail 16,000 copies each week out of Washington on a regular basis. If you are not getting it, tell your president because every one of our member institutions, depending upon their enrollment and dues, gets at least ten copies on your campus, and I certainly believe and I hope that you agree that the business officer certainly should be one of those receiving Higher Education and National Affairs. Although it is our own publication, I must say I haven't found anything to compare with the newsworthy items in it, along with a quick synopsis of what is happening that week in Washington.

There are several other bulletins which have also increased in circulation, but let me close by saying that there's been a lot of talk about changing the name of Washington, D.C.

I don't know if any of you have seen that or not. For example, Bob Hope spent three days there two weeks ago and mentioned afterwards that he thought the name should be changed to Fort Runamuck. I understand that the President of the United States is going to have a bill in Congress. He wants to change the name to Birdland.

I am afraid I have to agree with my 12- year- old daughter who said to me, after hearing all of this, she said, " Well, there are so many funny people in Washington and so many funny things going on, I think we ought to call it Disneyland East."

DR. SCHEPS: Well, although the time is officially up, our program chairman has indicated we could take five or ten more minutes for questions if you have any, and I am sure you must have a lot of them. So the floor is open for questions, and hurry up because there are not going to be many.

MR. R.W. FENIX (University of Chattanooga): Will the NDEA, as it seems to be, get the same amount of money if everything goes smoothly, in terms of loans to our students for say three years, one year?

MR. KELLY: If everything works out smoothly, I think it is clear that we will have available for the next academic year the full authorization of 190 million dollars, which is slightly more than the amount which is available this year.

And similarly, this will apply to health professions and nurse professions. If everything were to work out completely as desired, by the end of the third year there would be no NDEA office,all loans would be on the insured or guaranteed subsidized plan.

MR. ROBERT F. KERLEY (University of Kentucky): Jim, what will be HEW policy on funding the difference between the original rate and the actual rate?

MR. KELLY: I don't think we are prepared to say. We have a proposal. We will, of course, have to reduce the payments or the grants to the actual level of expenditures as determined by an audit which would lower the provisional rate. The provisional rate could only be increased within the level of the grant. For example, let us assume that you had a grant of a hundred thousand dollars with an estimated or provisional 25-percent indirect rate. If the direct costs were actually to be somewhat lower, and the actual indirect cost turned out to be 27 percent, you could pay the 27 percent so long as you don't go above the hundred thousand dollars. Once the hundred thousand dollar level is reached, there has to be approval to increase the grant before you can apply the higher indirect costs.

This may vary program to program. There may not be any funds with which to increase the grant. The obligations may have used up all of the funds. You can't retroactively go back in that circumstance, where in other cases, it may be possible to do so.

DR. SCHEPS: That is what you were afraid to say.

MR. KELLY: He just wanted to find out what I'd say.

MR. HAROLD A. HELMS (University of Alabama Medical Center): Mr. Kelly, you stated there were problems in regard to the time and effort reports. We received a letter from Dr. Pomfret on March 21 which was the same date indicating that these problems exist. Can you tell us what problems your auditors are finding?

MR. KELLY: I got an alarming memorandum recently that the auditors, after having gone into a significant number of institutions had found a fairly high proportion of them to have no record although the requirement for a time and effort report has now existed for Public Health Service grants for, I think, a little over two years. We may have changed the frequency of it recently, but we have had a requirement for something over two years, that there be a time and effort report for professional staff. However, in a substantial number of institutions, they found no record of any kind that supported the fact that the professional staff charged to the project had worked on the project.

This wasn't just a case of inadequacy or reports not filled out properly or too much time having elapsed before they were filed. There was no record that there was anything substantiating that the professional staff had worked on the project. This was sufficiently widespread so that we wrote to all operating agencies to contact people and alert them to the seriousness of this problem. Does that answer you?

MR. HELMS: Not quite. Did they indicate any discrepancies where records were being kept?

MR. KELLY: This wasn't a part of the problem that was brought to my attention.

DR. SCHEPS: Any other questions? There being none, I will thank the panelists, Mr. Kelly, Mr. Schoen, Mr. Wile, Mr. Vorsanger, for a very competent performance today, and will declare this session adjourned.

(Whereupon the session recessed at 3:05 o'clock p.m.)

FRIDAY AFTERNOON SESSION
April 8, 1966
ANNUAL BUSINESS MEETING

The annual business meeting of the Southern Association of College and University Business Officers convened in the Embassy Room of the Statler-Hilton Hotel, Dallas, Texas, April 8, 1966, and was called to order at 3: 10 o'clock p.m., by First Vice-President W. Clyde Freeman.

FIRST VICE-PRESIDENT W. CLYDE FREEMAN: It is necessary that we clear this room by 4:00 o'clock in order that they might set up for the banquet tonight. So everybody get into your seats so that we might have our business session.

PRESIDENT V. HOWARD BELCHER: As others are finding their seats, we will try to get under way again with the business session. Just before beginning on it, I would like to call upon Dr. Clarence Scheps, president of the National Association, to give us a few remarks on what has been happening from the national standpoint and the role that the regionals will be playing with the National.

We will be kinder to Clarence than he was to Fred, and we will give him say double the time he gave Fred. Clarence, take all the time that is necessary to give a good report.

DR. CLARENCE SCHEPS: I am very glad to have this opportunity to report on the activities of the National Association of College and University Business Officers, which have been extensive this particular year.

Before I begin, however, I would like to recognize the vice president of the National Association, Mr. Jim Ritterskamp, and the secretary, Mr. B.A. Little of Southern University.

I should also like to thank SACUBO's representatives to the National Board, who have been a tower of strength to me, Mr. Luther Callahan and Mr. Ed Davidson. I am honored to be your third representative to NACUBO.

The National Association is active in behalf of all of higher education, and specifically in behalf of the particular interests of the business officer in higher education.

We have already talked a little about the Committee on Governmental Relations, which is one of our important activities. It maintains an office in Washington with a full-time staff and is headed by an executive director, Mr. Howard Wile.

Another project that is going along on schedule, is the revision of Volumes I and II, *College and University Business Administration.*

The work is coming to a conclusion. The schedule calls for going to the printer about the end of next summer and I think we shall meet it. It is our hope that the profession will be pleased with the new volumes. Actually, the revision will result in a single volume, with what are now Volumes I and II consolidated into a single book. There will be some innovations and some changes that will be interesting.

Fred Vorsanger, earlier in the program, mentioned the senior business officers' institute which NACUBO, in conjunction with the American Council on Education, hopes to sponsor. The American Council has taken over from Harvard University the Institute or short course for college presidents and academic deans. At our request,the Council has been willing to extend the program to what we have been referring to as senior officers of colleges and universities, as contrasted to the subordinate personnel in our business offices.

The needs of this group are well taken care of by the institutes at Kentucky and Omaha. The senior officers institute will be composed of a selected group of invitees, who will meet for five and a half days. We are hoping to have the first institute next winter, if we can get ready for it. Instruction will be by case method, with the faculty other than business officers. By our own instigation, we believe that we should hear from somebody other than ourselves. We talk to each other enough.

This institute could be a fine contribution to our professional advancement program, and will be an annual event if we can get the financing for it.

I would mention in passing our continued support of the two fine institutes at Kentucky and at Omaha. These institutes have made an outstanding contribution to the profession, and deserve our support.

Another project which is in the making, if we can get the financing, involves a program aimed at assisting the small institution, especially the predominantly Negro one, in its business affairs.

I can report that we have the backing of a foundation for at least a portion of the program. We are happy that we have been asked to participate along with the American Council on Education. Fred Vorsanger and I have been trying to draw up a proposal which, if funded, will put us in business in an area of great need.

The question of the admission of the junior college business officer to full standing in the National Association has been before us for several years. The Southern Association has always felt that the junior college should be admitted to full status and we have done so in our Association.

The National Association, on the other hand, by its by-laws and constitution, has limited membership to those institutions which give a four-year baccalaureate degree. The National Board, in cooperation with the regionals, has been endeavoring to change this provision, and I can report considerable amount of progress at this time.

It is my understanding that the Eastern Association is ready to agree to go along with the idea of admitting junior colleges, as is the Central. There may be some question with respect to the Western Association, and of course, there is no problem in the Southern, since we are already admitting junior colleges to full membership.

The next annual National meeting will be held in New Orleans on July 16th to the 19th, 1967 at the Jung Hotel. I hope that in due course you will make your reservations and mark your calendar.

The Southern Association will be the co-host and will cooperate with the National by giving up its regional meeting in that particular year. Your own officers will inform you of plans SACUBO has for a business meeting in conjunction with the National meeting.

Mr. Luther Callahan has agreed to perform the most difficult job of all--that of serving as program chairman for the National meeting. Mr. J.B. Morgan of Tulane University, graciously has agreed (without any compulsion) to be chairman of the Arrangements Committee.

The 1969 meeting will be held in San Francisco at the Sheraton Palace Hotel with the Western Association as co- host.

And now, the project of our greatest interest involves the creation of an expanded central office in Washington, with a full-time staff, to represent all of the business officer activities in higher education.

I refer to the new office as an " expanded central office," because in a real sense we already have one. We have the Committee on Governmental Relations. However, its activities are supported by 77 institutions who expect, properly so, to receive specific services from that committee. This means that there are 2,000 other institutions of higher education in this country who are not supporting the national effort, and in a real sense they don't have an opportunity to do so. Conversely, they are not receiving all the benefits that they should expect to obtain out of an office of this kind.

The business officer in higher education has come a long way in the last 15 to 30 years. Prior to 1950, there was no mechanism for coordination among the five regional associations and hence no national voice.

In 1950, the National Federation came into existence and served very well until we were ready to take the next step, which was in 1960. At that time, it was decided to create a full National Association which was the next logical step in the evolutionary process of our working toward a professional association.

Between 1950 and 1960 we had managed to establish a degree of relationship with the American Council on Education that we had never enjoyed before. For the first time, the business officer, as the representative of a group, was called into the councils and had something to do with contributing toward shaping the destiny of higher education in this country.

In 1960, with some degree of impatience on the part of some business officers at our inability to create a national office, the Committee on Governmental Relations was founded and has been tremendously successful.

Your National Board believes the time has now come to take the next step, which means the creation of a full - fledged central office in Washington. The new office would be an expansion, in a sense, of our present office, would utilize some of the same personnel, and probably use some of the same office facilities, so kindly allocated by the American Council on Education.

This office will represent all of higher education, and will serve as a focal point for all of our activities. For the first time, staff services would be provided. The poor volunteers, which I can assure you gentlemen, since I am one of them, have been worked to death in your behalf over the last decade.

The same business officers are called upon to do many jobs for the profession and for the cause of higher education, while at the same time trying to earn a living back home. Volunteers are important in every civil endeavor, but you have got to have staff to go along with them.

We need a central place for our records. We need a central place for the channeling of communications, questions, employment inquiries. We need far more research in business administration than we have been able to accomplish in the past. Some research is being done, but unfortunately much of it isn't being done by business officers. Part of the reason for this is, I think, that we haven't had the stimulation that would come from an organized effort on the national scene. We have no professional journal. We should have one and we could have one.

I can remember Gerald Henderson's efforts 15 years ago to get a professional publication started by the Southern Association. It didn't get off the ground, and it can't be accomplished on a regional basis.

We need someone to stimulate the business officer to do research in the field and to this research a publication outlet.

We need to improve further our relationships with the Federal government. We have already come a long way in this endeavor thanks to Fred Vorsanger, and to the Committee on Governmental Relations.

I do not think the rank and file of the business officers realize the impact that has been made in some of these difficult areas. It used to be that we were handed down rules and regulations already written as an accomplished fact, and we had to try to live with them. Now, more times than not, we have been given the opportunity of studying these promulgations, and have had an opportunity of suggesting amendments where appropriate.

If you think you are burdened by what you finally get, you should see what is first proposed. The point is that we have built up through our presence in Washington a relationship with these governmental bodies and there is a recognition of the existence of the partnership between higher education and the government.

We need more of this. We are limited by our staff and our facilities. We simply can't call on the Committee on Governmental Relations, which only 77 institutions support, to work in your behalf without some support on your part.

I want to make it crystal clear that we are not seeking an office that will be a spokesman for or a representative of higher education. This is not the function of the business officer and we have proven this through our activities on the Committee on Governmental Relations. We have not become a spokesman for higher education, nor do we hold forth as a lobbying group for higher education.

What we are is a resource, and I think a tremendously important resource for that organization which does represent higher education--the American Council on Education. We have established a good relationship with the staff of the Council but which needs to be improved and expanded, and it will through the creation of the national office.

It is going to cost a little money to accomplish our objectives, although in the context of its importance to higher education it will represent a pitifully small amount. By coordinating the activities of our new office with the ongoing activities of the Committee on Governmental Relations, we estimate that the expansion will cost about a hundred thousand dollars a year. When divided over the whole area of higher education, this is a drop in the bucket.

It means that in order to activate the new office the smaller institutions will have to pay $35 or $45 more a year, whereas some of the larger institutions may have to pay as much as two hundred dollars in additional dues.

There will be a close interrelationship with the Committee on Governmental Relations. No institution which already supports the committee will be asked to pay an additional fee for the central office.

Without casting aspersions on the many other segments of higher education which already have Washington offices, in my opinion, the business officer and the president are the two principal offices whose activities cut across the whole spectrum of higher education.

We are the two offices who have to work together in order to effectuate proper arrangements in the Congress and in the various agencies of the Federal government.

A final word about the mechanics for bringing the central office into being. After we have had an opportunity to talk to all of the regional associations about this matter, you will receive a ballot through the mails in accordance witn our constitution, and you will be asked to vote on the question of whether you want the business officers to take the next step in our development toward a real professional organization, that is, the creation of a central office. I fervently hope that you will vote in the affirmative when that ballot comes your way.

PRESIDENT BELCHER: Are there any questions that you would like to ask Clarence at this time? I believe with this particular background and following up the work of the Bylaws Committee in sending out to you the proposed change in our bylaws structure pertaining to dues, it would be appropriate at this time to have the Bylaws Committee report. Mr. Wilbur Cissell, if you will give this report at this time. Clarence, I want to thank you for your very informative report.

MR. C. WILBUR CISSEL: Mr. President and members of SACUBO, the Bylaws Committee, as required, submitted a unanimous recommendation to the secretary late in February. And under date of March 1, as required by the constitution, the secretary mailed the report to all members of SACUBO.

The purpose of the change is to provide increased financing so that we can support the office that Clarence has just told us about. The actual change carries out the recommendations of the Executive Committee of SACUBO. The Bylaws Committee recommends that Article V, which is the article on dues, be deleted, and in place thereof we substitute the following:

ARTICLE V
Dues

Membership dues in the organization shall be paid annually at such time as stipulated in Article II, Section 3 of the Constitution in accordance with either of the following schedules as may be appropriate:

(1) Member institutions which maintain membership in the National Association of College and University Business Officers through the Southern Association of College and University Business Officers:

Up to 1,000 students	$ 75
1,000 but less than 2,000 students	$115
2,000 but less than 5,000 students	$145
5,000 but less than 15,000 students	$180
Over 15,000 students	$230

(2) Member institutions which are not members of the National Association of College and University Business Officers or which maintain membership in the National Association through a regional association other than the Southern Association of College and University Business Officers:

Under 2,000 students	$ 15
2,000 but less than 5,000 students	$ 20
Over 5,000 students	$ 30

This amendment shall be effective with payment of dues for 1967.

Mr. President, if it is in order for me to do so, I move the adoption of this change in the bylaws.

PRESIDENT BELCHER: You have heard this motion. Is there a second?

(Motion was seconded by Mr. C. L. Springfield of Southwestern at Memphis.)

PRESIDENT BELCHER: Is there any discussion on this motion? If not, all those that are in favor please indicate by saying Aye. Any opposing, by No. It is so carried. May we have now the treasurer's report, Mr. Ingram?

TREASURER W. T. INGRAM: Mr. President and members of SACUBO, we have to report 327 paid memberships. We have 11 so-called old members who did not pay. We have nine new members who did not pay or had not paid when I left home. I understand some have paid in the meantime. The Financial Report is as follows:

RECEIPTS

1964-65 Dues	$ 85.00
1965-66 Dues	10,590.00
Income from 1965 Workshop on Federal Relations	144.54
1965 Convention Income	5,843.75
Interest on Certificate of Deposit 12/11/65	200.00
Income from 1966 Workshop on Federal Relations	128.15
TOTAL RECEIPTS	$16,991.44

DISBURSEMENTS

National Federation Dues (295 @ $15)		4,425.00
Travel:		
SACUBO executive meeting October 17-18, 1965 in Dallas, Texas (Shasteen $109.79; Read $139.40; Bosch $180.20; Haywood $145.82; Freeman $49.32; Belcher $240.21; and Callahan $139.10)		1,003.84
College Business Manager's Institute July 25, 1965 at University of Kentucky (Belcher $73.48)		73.48
Audit of 1964-65 Records		75.00
Fidelity Bond Premium-Treasurer		12.00
Clerical Expenses		275.00
Scholarship Grants (4 @ $50)		200.00
SACUBO Grant to Management Institute		500.00
Miscellaneous Expenses of Secretary		74.20
Proceedings of 1965 Convention:		
Reporting	$ 545.24	
Printing (600 copies)	1,938.20	
Second Printing	40.55	2,523.99
Postage:		
Treasurer	30.00	
Secretary	125.12	155.12
Printing:		
Treasurer's Report	43.68	
Letterhead, onion skin, envelopes	112.32	
SACUBO Newsletters and Applications for Membership	28.45	
1965-66 Invoices	8.84	
Letter to go with Circular A-21	5.08	
Printing Preliminary Programs for 1966 Convention	113.23	311.60
Telephone:		
Past President		82.40
1965 Convention Expenses		5,405.28
TOTAL DISBURSEMENTS		$15,116.91

RECONCILIATION

Cash Balance, March 15, 1965	$13,196.44*	
ADD: Receipts for Period	16,991.44	$30,187.88
DEDUCT: Disbursements for Period		15,116.91
CASH BALANCE March 15, 1966		$15,070.97*

We have attached a complete list of all member payments. We have a complete statement of the convention income expenses. You might be interested to know that we had last year 269 delegates and guests, and I believe it is 303 this year. The income above expenses of the convention of last year, $438.47.

Mr. Chairman, I believe that completes the financial report.

PRESIDENT BELCHER: Thank you, Mr. Ingram. We appreciate that excellent report and the excellent work you do in carrying out the very heavy responsibilities.

Before actually taking action on this report, may we have the report from the Auditing Committee chairman, Mr. James Pomfret from the University of Arkansas. Bill Cissel, if I did not thank you and your committee for your work on that bylaw change, I would like to do so now.

MR. JAMES POMFRET: Mr. Chairman, the report of the Auditing Committee is in the form of a resolution which I should like to read for you.

> WHEREAS, the financial statement presented by the treasurer, Mr. W. T. Ingram, for the period ending March 15, 1966, has been submitted to the Auditing Committee, and
>
> WHEREAS, this statement has been certified by a certified public accountant, Charles P. Jones, of Auburn, Alabama, and
>
> WHEREAS, the statement and certificate have been examined by the Auditing Committee named by President Belcher and found to be in order and in a sound fiscal position,
>
> NOW BE IT RESOLVED that on the motion of this committee that this statement be accepted and the treasurer be commended for his fine efforts.
>
> I move you the adoption of this report.

(Motion was seconded by Mr. R.K. Johnson of Bob Jones University.)

PRESIDENT BELCHER: All in favor of accepting this fine report indicate by saying Aye. Any opposed, No.

May we have now a report of the Membership Committee, Fred Bosch. Jim, I want to thank you and your committee also for that fine report.

COL. J. F. BOSCH: Mr. President, members of SACUBO, it is with great pleasure and pride on behalf of the Membership Committee I report that since our last annual meeting in Durham, North Carolina, 52 new member institutions have joined SACUBO. During the year, we lost three members through resignation, three were dropped for nonpayment of dues, and we regained one which was previously dropped.

At the present time, our membership stands at 341. The treasurer reports 20 institutions as not having paid their annual dues, with three members unpaid for two years in succession. These three members will be dropped.

You might be interested to learn that the 52 new members come from the following states:

Alabama, 5.
Florida, 4.
Georgia, 7.
Louisiana, 3.
Mississippi, 3.
North Carolina, 5.
Oklahoma, 1.
South Carolina, 3.
Tennessee, 6.
Texas, 10.
Virginia, 5
Total, 52.

I would like to call your attention that over a period of time your representatives change. Consequently, SACUBO information has not been received by the persons most interested. It would be appreciated if you would review the names of your representatives and notify our secretary, Mr. Luther Callahan, of any changes so that a corrected list may be printed in the proceedings of our 38th annual meeting. Each institution is permitted three representatives with one being the principal or voting member. Thank you very much.

PRESIDENT BELCHER: That is in the form of a motion of accepting the membership report. May I have a second to that motion, please?

(Motion was seconded from the floor.)

PRESIDENT BELCHER: All in favor of accepting the report please indicate by saying Aye. Opposed, No. So carried. Thank you, Fred. That is an outstanding job done by the Membership Committee. I want to be sure to get that one in in time. And that is really a highlight for the year and for the history of the Association as to the total members added in one year.

May we have now the report of the Scholarship Committee, Paul Nestor, as chairman, from the University of Kentucky. Paul.

MR. PAUL NESTOR: President Howard, I am pleased to make this report. Actually it is a report of last year's committee, because the scholarships that were awarded by last year's committee were used in the Institute in July, and the activities of this committee will not take place until between now and July of this year.

There were four scholarships awarded to Charles Harrell, to Joseph Powell, to Elton Ringer and to Wade Yeakle.

There were three other scholarships which were not used, one because of illness in the family, and one because of an accident to the individual and we never did learn what happened to the other.

The scholarships have been awarded in the past primarily on the basis of financial need, and a number of institutions have then withdrawn or individuals have withdrawn their applications when this was explained. So the committee this year feels that we should perhaps change this. And so we are going to award the scholarships this year primarily on the basis of the individual's potential for development in the college business management field, combined with other factors, of course, but principally in this area. We hope that all of you will send individuals from your institution that you feel will benefit from this program, and come yourself, and give us the names of those people that you think might be worthy of a scholarship.

While I am here, I would like to call your attention again to the Institute itself which will be held the week of July 17 to the 23rd. I am sure that you have all seen the bulletins out front. The response has been very good and we hope that each one of you will come.

I think it might be difficult for any institution to justify not sending anyone to the Institute because of financial hardship. All of us can find enough money to do something that we feel is worthwhile. I think if you will look at your own institution and look at the program which is offered to you through the College Business Management Institute and the one in Omaha, you will find it very difficult to justify not having a representative at one of the Institutes and we hope that it will be at the University of Kentucky. Thank you.

PRESIDENT BELCHER: That report will be accepted as is, I believe, without action on it. Thank you for the report of the committee. May we have the report from the Professional Development Committee, George Kavanaugh, the University of Kentucky.

MR. GEORGE KAVANAUGH: First, I am prompted to say a word of commendation for the fine leadership over the years of Clarence Scheps. I think of it in connection with professional development because he has encouraged many people to improve themselves through the Business Management Institute.

He has supported the Institutes — both at Kentucky and Omaha. More than that, he has and is now giving fine national leadership through SACUBO as well as with all other leaders from other regional groups in promoting our national organization. I am real proud of the presentation he has just made— his plea for a strong, effective National Association of College Business Officers.

I remember that meeting in Birmingham when the national association idea was first advanced, Clarence. So commendation to you for all your fine work through these years! And of course, I am aware of all others who have done work in that same direction. It has required concerted, cooperative effort.

We met yesterday as a committee with Mr. Paul Nance of the Department of Health, Education, and Welfare. Mr. Nance as you know is in the Department of Education, a specialist in Higher Educational Studies. We were most interested to learn from him of a plan that is now under way to coordinate and to reduce, if possible, the number of educational data reports; certainly a unified, centralized method of getting our educational data reported to the national offices. As we understand it, the project is being directed or guided by the Bureau of the Budget which approves all forms devised for data reporting. We not only endorse the idea as a committee but recommend it to the Executive Committee of SACUBO for its cooperation in whatever manner found desirable.

And furthermore, our committee urged Mr. Nance to present his ideas at the national level, to our National Association of College Business Officers so that there might be general support for his efforts to accomplish his program.

Secondly, your Professional Development Committee wishes to encourage and by various means to promote the two workshops that now exist at the University of Omaha and the University of Kentucky. We urge all the new people entering the educational management field to seek out one of these workshops and be benefited from the curriculum.

The third suggestion of the committee is to encourage in our Association the publication through our SACUBO news of professional articles or particular studies of worth that have been made within our membership. We realize that this will be difficult to promote. This idea may be more effective when initiated on a broad scale through our National Association, by the central office when it is established. But as a Southern Association, we would like to see some steps made in that general direction.

And I might add this final word. I know that as far as our workshop is concerned at the University of Kentucky, Mr. Bob Kerley, Vice President, will welcome your constructive suggestions as to how the offerings can be improved.

PRESIDENT BELCHER: George, we thank you for that report from you and your committee. We will simply receive it as a report. May we have the report from the Placement Committee, Orie Meyers?

(Statement was made from the floor that Mr. Meyers had to leave the meeting.)

PRESIDENT BELCHER: All right, we will skip this report then. Do we have a report from the SACUBO News Committee, Mr. Callahan?

SECRETARY LUTHER CALLAHAN: No.

PRESIDENT BELCHER: No report? Fine. A report from the Program Committee. I am not sure whether there is anything further other than what's been taking place. We do want to thank Clyde and his committee for the kind of program he has been providing for us here. May we have the report from the Resolutions Committee? Mr. Elmore was not able to attend and Mr. Russell White is serving as chairman of that committee.

MR. RUSSELL WHITE: Thank you, Howard. To save you some time, if you'd like, I will read it quickly now. I request your forebearance and I will read these very quickly except for the points that I think where people are involved.

> WHEREAS, The Southern Association of College and University Business Officers has suffered a great loss in the death of four of its beloved members, Mr. Joseph C. White, comptroller of the University of Mississippi; Mr. J.D. Bolton, comptroller and treasurer of the University of Georgia; Mr. D.B. Dougherty, vice-president and comptroller of Appalachian State Teachers College; Mr. Clyde Warrick, auditor emeritus of Louisiana State University.
>
> RESOLVED that the Association take note of these deaths and direct that the secretary extend to each family our deepest sympathy, and that a copy of this resolution be forwarded to them.
>
> WHEREAS, the 38th annual meeting of the Southern Association of College and University Business Officers in Dallas, Texas on April 6, 7 and 8, 1966, has been a most interesting, enjoyable and beneficial meeting for the many members and guests in attendance; and
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> WHEREAS, the success of the meeting has been due to careful advance planning and active participation by a number of individuals and committees, therefore
>
> RESOLVED that the Association express its appreciation to its officers and members of the Executive Committee for their

efforts in connection with the annual meeting; and

RESOLVED that the Association express its sincere thanks to the Program Committee under the able chairmanship of W. Clyde Freeman for arranging an informative and timely program and obtaining interesting and well-informed speakers; and

RESOLVED that the Association express its gratitude to our Host Committee under the leadership of Trent Root and Jay Osborne of Southern Methodist University for making excellent arrangements for the entertainment and comfort of members and guests; and

RESOLVED that the Association express its gratitude to the management of the Statler-Hilton Hotel for the special efforts that have been made to insure the comfort and convenience of members and guests; and

RESOLVED that the Association recognize the fine program arranged for the ladies and express its appreciation to Mrs. Trent Root and Mrs. Jay Osborne and to those others responsible.

WHEREAS, the 38th annual meeting is a fitting conclusion to a highly successful year of progress by the Southern Association of College and University Business Officers; and

WHEREAS, the success and progress of the Association during the year has been due to the persevering and forceful efforts of President V. Howard Belcher and the other loyal and devoted officers and officials of the Association, therefore

RESOLVED that the Association convey by this action to each of these individuals its real gratitude for a successful administration.

I so move, Mr. Chairman.

(Motion was seconded by Mr. R.K. Johnson of Bob Jones University.)

PRESIDENT BELCHER: Any discussion? All in favor please indicate Aye. All opposed, No. So carried. Russ, we thank you for a good report.

We now come to the report of the Nominating Committee. Cecil White of Texas Christian will give the report.

MR. L. C. WHITE: Mr. President, the Nominating Committee consisted of L.C. White, chairman, Mr. C.L. Springfield, Jr., Mr. John M. Dozier, Mr. Walter B. Calhoun and Mr. R.K. Shaw. Mr. Shaw was not able to attend this meeting.

The members of your Nominating Committee received and considered recommendations from many members of SACUBO, and we appreciate the very excellent pool of talent which exists in this Association. We believe that the persons nominated for officers of this Association are representative of this very fine group of talent and that they will serve exceedingly well.

On behalf of the Nominating Committee, it is my pleasure to officially place in nomination the following persons for offices indicated, and to move their election.

General officers for SACUBO for 1966-67:

President, W. Clyde Freeman.

First vice-president, J. F. Bosch, Jr.
Second vice-president, William T. Haywood.
Third vice-president, Dud Giezentanner.
Secretary, Luther C. Callahan.
Treasurer. W. T. Ingram.

For members-at-large on the Executive Committee, we have one member who has one additional year to serve, Mr. W. Harold Read. We need to elect a member for a two-year term. The name of Mr. Russell White of Transylvania has been placed in nomination for this office.

Of course, the immediate past president also serves as a member of the Executive Committee.

For representatives to the National Association, Mr. E. E. Davidson has two years remaining on his existing term. Mr. Luther C. Callahan has one year remaining. And we quite proudly nominate for a new term of three years, Mr. Clarence Scheps of Tulane University.

Mr. President, on behalf of the Nominating Committee, I move that these persons be elected to the offices indicated.

PRESIDENT BELCHER: You have heard the motion. Are there any other nominations for any position? Is there a second to the motion that has been made?

(Motion was seconded from the floor.)

PRESIDENT BELCHER: It has been seconded. All those in favor please indicate by saying Aye. Any opposed, No. Thank you very much, Cecil and your committee for this fine report.

Are there any other business matters that should be given attention at this time?

MR. R.W. FENIX (University of Chattanooga): Last year at Durham, we invited you all to come to Chattanooga for the next convention. At that time, I did not know you were coming here and you were going to New Orleans. However, we'd like to invite you to come to Chattanooga in 1968, having been to New Orelans in 1967.

As I told you at that time, we have housing, we have a couple of good hotels. Our new auditorium, our auditorium is being remodeled. We have facilities for entertaining the ladies. There is a Rock City, and if you have a good imagination, a real good eyesight, you can see seven states from Rock City.

You have many other historical places in that area, Missionary Ridge, the site of the Chickamauga Battle, and a lot of others, the site of the Battle in the Clouds, a great many areas of history that are interesting. We have sports, we have a great lake where you can have entertainment in terms of fishing, swimming and boating. We have golf courses, we have beautiful weather.

We'd like for you all to come to Chattanooga for the meeting of SACUBO in 1968.

PRESIDENT BELCHER: Thank you, Mr. Fenix. We will turn the invitation over to the Executive Committee and they will take appropriate action at the proper time.

Are there any other business matters? Will the newly elected officers and representatives to the National Association please come to the podium and let the membership take a look at you? (Applause)

I just wanted all of you to be able to recognize these folks. Sometimes you may have a little trouble with some of these names, but at least, I want you to be able to see who they are and we thank you.

I would also like to express a word of appreciation for the tremendous support that the officers, the Executive Committee, the 70 odd members of the various committees, have given during the past year. We sincerely appreciate the efforts and the work of the 40 odd that have participated on the program. It cannot be done alone. We have to have it as a joint effort, and that has certainly been superb this year.

Are there any other matters that should be given attention at this time?

MR. JAY OSBORNE: I'd like to make one announcement about the banquet this evening. For those members of the Association that will require fish, since this is Good Friday, we have made arrangements for this. If you will tell the waiter, he will be glad to serve you fish this evening.

PRESIDENT BELCHER: You will have somewhat of a choice for your dinner this evening, so take this into account. I would like also to thank the entire Association for the wonderful attendance that you have given to the total programs during these past two days. I think that has certainly been indicative of the type of program that we have enjoyed, and your tremendous interest.

If there is no other business, we will adjourn and reassemble at 7:00 for the banquet.

(Whereupon the meeting recessed at 4:05 o'clock p.m.)

ANNUAL BANQUET

April 8, 1966

The annual banquet of the Southern Association of College and University Business Officers was held in the Embassy Room of the Statler-Hilton Hotel, Dallas, Texas, at 7:00 P.M., with President Belcher presiding.

The featured speaker of the evening was Walter Zaney Blaney of Houston.

After Mr. Blaney's talk, the new officers of SACUBO were introduced. Outgoing President V. Howard Belcher was presented a silver tray in recognition of his service to SACUBO during 1965-66.

President-elect W. Clyde Freeman adjourned the Convention.

CONSTITUTION AND BY-LAWS

for the

Southern Association of College and University Business Officers

Adopted, April 5, 1952
Amended, April 2, 1955
Amended, April 1, 1958
Amended, April 1, 1961
Amended, April 13, 1962
Amended, April 19, 1963
Amended, April 2, 1965
Amended, April 8, 1966

CONSTITUTION

ARTICLE I

Names and Purposes

Section 1. Name
The name of this organization is SOUTHERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS.

Section 2. Purposes and Objectives
The purposes and objectives of this Association shall be:

(1) To foster, develop, and promote improved principles and more efficient practices in the business and financial management of colleges and universities.

(2) To afford opportunity for better acquaintance and closer personal and professional relationships among college and university business officers.

(3) To provide opportunities for effective cooperation and interchange of information among its members in all matters pertaining to the financial and business welfare of institutions represented.

(4) To promote professional standards and ethical conduct among its members in the administration of their duties and their responsibilities.

(5) a. To sponsor business institutes and other educational activities as may be useful and beneficial to its members.
    b. To disseminate such pertinent information to its members as will be beneficial to them.

ARTICLE II

Membership and Dues

Section 1. Membership

(1) All present members are bona fide members of the Association.

(2) Any responsible institution of higher education, which is accredited by the appropriate regional accrediting association, or any institution or organization determined by the Executive Committee to be primarily related to higher education, may apply for membership.

(3) A member institution may have as many institutional representatives as it may desire but it shall be allowed only one vote.

Section 2. Admission

An applicant becomes a member upon acceptance of its application by the Executive Committee and by payment of annual dues.

Section 3. Dues

Membership dues in such amount as approved by the organization are payable by the member institutions on January 1 of each year.

Section 4. Honorary Membership

A person who has made specific, outstanding, and valuable contribution in the field of college business management to this organization or other organizations or associations may be elected to honorary or life membership by the Executive Committee. Such a person shall enjoy all the privileges of the organization except those of voting or holding office.

Section 5. Suspension

Active membership may be terminated by the Executive Committee for non-payment of dues or by the Association acting as a committee of the whole for other cause.

ARTICLE III

Officers and Government

Section 1. Officers

The officers of this organization shall be a President, First Vice-President, Second Vice-President, Third Vice-President, a Secretary and a Treasurer, who shall be elected at the close of each annual meeting for a term of one year or until their successors are named, except in such cases where the term of officers may be otherwise designated by the Executive Committee after requested to do so by resolution of the members. All officers must be actively engaged in college business management at the time of their election and throughout their term of office.

(1) President. The President shall be the executive officer of the Association, and subject to the Executive Committee's approval he is empowered to take action within financial resources available necessary to the general welfare of the Association. The President, when present, shall preside at all business meetings of the Association and of the Executive Committee.

(2) First Vice-President. The First Vice-President shall occupy the office and assume the duties of the President as stated above in case of absence of the President. In the event of a vacancy in the office of the President, the First Vice-President shall serve as Acting President for the unexpired term of the President and until a successor is elected. The First Vice-President serving out an unexpired term shall be eligible to succeed himself as President in a subsequent year. The First Vice-President shall assume the responsibility for the annual program of the organization during the year in which he holds office.

(3) Second Vice-President. In case of absence or incapacity or vacancy in the offices of President and First Vice-President, the Second Vice-President shall occupy the office and assume the duties of the President as stated above. The Second Vice-President shall serve as chairman of the membership committee and as chairman of promotional activities of the organization for the year during which he holds this office.

(4) Third Vice-President. In case of absence or incapacity of the President, the First Vice-President, and the Second Vice-President, the Third Vice-President shall occupy the office and assume the functions of the President as stated above until his successor is elected and the Third Vice-President shall serve as chairman of the committee for arrangements for the annual convention.

(5) Secretary. The Secretary shall give notice of all meetings of the Association and of the Executive Committee and shall keep the minutes of all special meetings; he shall be responsible for the records of the Association

and shall conduct correspondence necessary to fulfill the duties of the office; under the direction of the President and Executive Committee, he shall assist in arrangements for suitable and agreeable meeting places for the annual meeting of the organization; he shall make a report to the organization at each annual meeting; and he shall perform such other duties as requested by the President and the Executive Committee.

(6) Treasurer. The Treasurer shall be responsible for all financial records of the organization; he shall be bonded and have custody of all the funds of the organization; he shall collect dues and other moneys due the organization; subject to approval of the Executive Committee, he shall be responsible for disbursement of all funds; he shall keep adequate record of receipts and disbursements and shall report thereon at the request of the Executive Committee and at the annual meeting of the Organization; and he shall perform such other duties as requested by the President and the Executive Committee.

Section 2. Executive Committee

The Executive Committee shall consist of the President, First Vice-President, Second Vice-President, Third Vice-President, Secretary, Treasurer, the immediate Past President, and two other members at large. The members at large shall be elected by and from bona fide members of the Association for a term of two years each, and they shall not be eligible to succeed themselves.

(1) The Executive Committee shall be the administrative body of the organization. During intervals between annual meetings this committee shall have full power to carry out and implement the organization's objectives, and, if resources are available, to make commitments, financial or otherwise, on behalf of the organization.

Section 3. By-Laws

By-Laws which do not conflict with this constitution and which are necessary to implement the government of this organization or to provide for its general welfare may be adopted by the general membership.

ARTICLE IV

Meeting of Organization

Section 1. The date of the annual meeting of the organization shall be set by the Executive Committee in the early spring of each year at a date which will conform to the best interest and convenience of the membership; provided, however, the Executive Committee may set the meeting at a time other than early spring when unusual circumstances so warrant. Special meetings of the organization may be called by the Executive Committee provided written notice thereof be sent to each member at a reasonable time prior to such meeting.

ARTICLE V

Amendments

A proposed amendment to the constitution may be submitted by any member of the organization to the Secretary. The Secretary shall refer the proposed amendment to the Constitution and By-Laws Committee appointed by the President for its review and recommendations. A copy of the proposed amendment and the recommendations of the Constitution and By-Laws Committee shall then be mailed to each member by the Secretary at least thirty days in advance of the next special or annual meeting. A proposed amendment shall become effective when approved by a two thirds majority of the members present and voting at the special or annual meeting.

By-Laws

ARTICLE I

The Executive Committee

Section 1. Meeting

The Executive Committee shall hold its business meeting at the time and place designated by the President through the Secretary.

Section 2. Vacancy

Any vacancies in the Executive Committee, other than the office of President, caused by death, resignation, or other causes shall be filled for the unexpired term, and until a successor is elected, by selection by the remaining members of the Committee. The individual serving out such unexpired term shall be eligible to succeed himself in that office in a subsequent year.

Section 3. Bonds and Audits

The Treasurer or any other official of the organization so designated by the Executive Committee shall be bonded at the expense of the organization for proper performance of the duties incumbent upon the office. All reports of the organization shall be audited annually by an accounting firm. The auditor's report shall be submitted to the Association at the annual meeting following the audit.

ARTICLE II

Nomination of Officers and Representatives

Section 1. Nominating Committee

The Nominating Committee shall be appointed by the President to receive suggestions from the membership and to make nominations for officers and representatives to the Board of Directors of the National Association of College and University Business Officers. Such nominations shall be voted by the membership at the annual meeting. All nominees for officers must conform to the eligibility requirements set up in Article II, Section 1 of the Constitution. All nominees for representatives to the Board of Directors of the National Association of College and University Business Officers must conform to the eligibility requirement set up in Article VI of the By-Laws.

ARTICLE III

Committees

Section 1. Standing Committees

(1) Nominating Committee. The Nominating Committee shall perform the functions as outlined in Article II of the By-Laws.

(2) Audit Committee. The Audit Committee shall be appointed by the President to make such reports as are necessary in compliance with Article I, Section 3 of the By-Laws.

(3) Convention Committee. A Convention Committee shall be appointed by the President to make plans and to arrange for the annual meeting of the organization. This committee shall conform to the items of Articles IV, Section 1 of the Constitution.

Section 2. Appointments

The President shall appoint all committees during his term of office.

ARTICLE IV

Procedure

Section 1. Quorum

At all meetings of the Association, the Executive Committee, and other committees, a majority of voting members shall constitute a quorum.

Section 2. Rules

Robert's Rules of Order shall be used as a guide in questions of procedure when not in conflict with the Constitution and By-Laws of the organization.

Section 3. Voting

Each member institution of the Association shall be allowed one vote. This vote shall be cast by the chief business officer of the member institution or his duly authorized representative.

ARTICLE V

Dues

Membership dues in the organization shall be paid annually at such time as stipulated in Article II, Section 3 of the Constitution in accordance with either of the following schedules as may be appropriate:

(1) Member institutions which maintain membership in the National Association of College and University Business Officers:

Up to 1,000 students	$ 75.00
1,000 but less than 2,000 students	115.00
2,000 but less than 5,000 students	145.00
5,000 but less than 15,000 students	180.00
Over 15,000 students	230.00

(2) Member institutions which are not members of the National Association of College and University Business Officers or which maintain membership in the National Association through a regional association other than the Southern Association of College and University Business Officers:

Under 2,000 students	$ 15.00
2,000 but less than 5,000 students	20.00
Over 5,000 students	30.00

THIS AMENDMENT SHALL BE EFFECTIVE WITH PAYMENT OF DUES FOR 1967.

ARTICLE VI

Affiliations

This Association is affiliated with the National Association of College and University Business Officers. Up to the time the Constitution of the National Association of College and University Business Officers is adopted, all members of the SACUBO are automatically included on the membership rolls of the National Association. After the National Association Constitution and By-Laws are adopted, then only institutions granting a baccalaureate or higher degrees and those accredited by their regional accreditation association will be accepted for membership in the National Association of College and University Business Officers. Qualifications for membership in SACUBO will remain unchanged and institutions seeking membership in SACUBO need only to conform with Article II of the SACUBO Constitution and By-Laws.

ARTICLE VII

Amendments

All amendments must be made in accordance with the policy as outlined in Article V of the Constitution.

BY-LAWS
of the
NATIONAL ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
Adopted June 23, 1962

ARTICLE I

Name

The name of this organization shall be NATIONAL ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS.

ARTICLE II

Registered Office and Agent

The corporation shall maintain a registered office at 100b Administration Building, University of Illinois, Urbana, Illinois, and C. C. DeLong shall serve as its registered agent. The Board of Directors may change the registered agent and the location of the registered office by a majority vote at any regularly scheduled meeting. The registered agent must be a resident of the State of Illinois.

ARTICLE III

Purposes

The purposes of the corporation shall be:

Section 1. Interest in Principles and Practices. To develop and maintain interest on a nationwide basis in continuous improvement of principles and practices of business and financial administration in higher education, and to foster and maintain educational business and financial administration as a profession with professional ideals and standards.

Section 2. Collection and Exchange of Information. To provide for the development, collection and interchange of information among the membership in all matters pertaining to financial affairs and business administration in higher education, and to offer assistance to established and representative educational associations or bodies in all matters pertaining to fiscal or business affairs.

Section 3. Aid to Council and Federal Agencies. To provide the American Council on Education with information and technical assistance in the field of fiscal affairs, and to provide means whereby agencies of the Federal Government may ascertain opinions and points of view on all matters involving fiscal and business matters of national interest to colleges and universities.

Section 4. Cooperation with Regional Associations. To cooperate with and support the several regional associations of College and University Business Officers in the achievement of their purposes and objectives.

ARTICLE IV

Membership

Section 1. ***Members.*** Any non-profit institution of higher education which is a regular member of one of the following associations may be a member of this association:

(a) American Association of College Business Officers;
(b) Central Association of College and University Business Officers;
(c) Eastern Association of College and University Business Officers;
(d) Southern Association of College and University Business Officers;
(e) Western Association of College and University Business Officers;

Only non-profit institutions which are members of one of the above regional associations may be members of this association; however, membership in this association is not mandatory for each and every regular member of a regional association.

Section 2. ***Requirements for Admission.*** From and after the adoption of these by-laws, the association will admit to regular membership only those non-profit institutions granting the baccalaureate degree or higher degree which are accredited by their appropriate regional accrediting association and are regular members of one of the regional associations. Provided, however, that any present member institution of a regional association will be eligible for membership within one year from the adoption of these by-laws without regard to the previous requirement; if, however, any institution fails to maintain continuous membership in this association it must meet the membership requirements of a new member upon application for membership in this association.

Section 3. ***Associate Members.*** Associate members without vote, may be admitted to this association in accordance with regulations and policy as established by the directors; provided, however, that such associate membership shall be limited to non-profit institutions of higher education.

Section 4. ***Membership Meetings.*** A national meeting of the institutional members of this association shall be held no less than every third year beginning in 1963 in which year such a national meeting of institutional members shall be held. The time and place of the national membership meeting shall be determined by the Board of Directors. Special meetings of the membership may be called by the Board of Directors or the President by written or printed notice to the members stating the place and time of the meeting together with the purpose thereof and delivered either personally, by mail or telegram not less than thirty (30) and no more than forty (40) days before the date of the meeting. Any meetings may be held at any place determined within or without the State of Illinois.

ARTICLE V

Directors

Section 1. ***General Powers.*** The immediate government of this association shall be vested in a Board of Directors, which Board shall possess all the powers necessary or convenient to accomplish the objects and perform the duties of this association. Provided, however, that the Board of Directors shall not have power to adopt amendments to these by-laws and that such amendments procedure shall be pursuant to the provisions of Article IX, Section 6, of these by-laws.

Section 2. ***Number, Qualifications, and Tenure.*** The Board of Directors shall consist of three directors from each regional association who shall be elected by the regional association concerned pursuant to a vote by such regional associations in which only those institutions which are also members of this association shall be permitted to participate and any director so elected must represent an institution which is a member. At the first election after the adoption of these by-laws each regional association shall elect one director for a term of one year, one for a term of two years, and one for a term of three years; all subsequent elections shall be for terms of three years. Each director thus elected shall hold office for the term for which he is elected and until his successor shall have been elected and qualified. Directors need not be residents of the State of Illinois. No regional association shall elect an individual to serve for a continuous period in excess of two consecutive three-year terms.

Each association may select one or more alternates who may serve at meetings in the absence of a regular director. The president or secretary of a regional association shall certify by letter to the secretary of the National Association the names of the officially selected directors and the names of the alternates and the directors for whom they may serve.

Section 3. ***Meetings.*** The directors shall meet not less than twice each year. An annual meeting shall be held during the month of June each year for the election of officers and the establishment of a budget for the fiscal year; provided, however, during any year that a membership meeting is held, this annual meeting may be deferred by vote of the directors to a date not later than July 31st. The dates for meetings shall be set by the president. The Board of Directors by resolution may provide the time and place, either within or without the State of Illinois, for the holding of additional regular meetings without other notice than such resolution. All meetings shall be held at the place designated by the president. The place of meeting may be any place either within or without the State of Illinois.

Section 4. ***Special Meetings.*** Special meetings of directors may be called by or at the request of the president or any five directors who may fix the place of such meeting either within or without the State of Illinois. Notice of any such special meeting of the Board of Directors shall be given at least twenty (20) days and no more than thirty (30) days prior thereto by written notice delivered personally or sent by mail or telegram to each director at his address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the mail addressed to the director with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute waiver of notice of such meeting, except where the director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Unless specifically required by law or by these by-laws, notice or waiver of notice need not specify the business to be transacted or the purpose of a meeting.

Section 5. ***Quorum.*** Nine members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. If less than nine of the directors are present at the meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 6. *Manner of Acting.* The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except where otherwise provided by law or by these by-laws.

Section 7. *Compensation.* Directors as such will not receive any compensation for their services, but expenses of attendance may be allowed for attendance at each regular or special meeting of the Board if authorized by resolution of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 8. *Vacancies.* Any vacancy occurring in the Board of Directors or any directorship to be filled by reason of an increase in the number of directors shall be filled by the respective regional association. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

ARTICLE VI

Officers

Section 1. *Officers.* The officers of the corporation shall be elected by the Board of Directors from its members and shall include a President, a Vice President, a Secretary, a Treasurer, and such other officers as the Board shall deem necessary. Officers shall serve without compensation but may be reimbursed for expenses incurred as a result of their official services to the corporation.

Section 2. *Election and Term of Office.* The officers of the corporation shall be elected by the Board of Directors at its first meeting and thereafter annually at the regular annual meeting of the Board. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. The term of office of all officers shall be one year. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. No person shall hold the same office for more than three consecutive years, but each officer shall hold office until his successor shall have been duly elected and shall have qualified.

Section 3. *Removal.* Any officer or agent elected or appointed by the Board of Directors may be removed by majority vote of the Board of Directors whenever in its judgment the best interests of the corporation will be served thereby.

Section 4. *Vacancies.* A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. ***President.*** The president shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He shall preside at all meetings of the institutional members and the Board of Directors. He may sign, with the secretary or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors, or by these by-laws, or by statute, to some other officer or agent of the corporation. In general, he shall perform all duties incident to the office and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. ***Vice President.*** In the absence or in the case of incapacity of the president, or in the event of a vacancy in the office of the president, the vice president shall perform the duties of the president and, when so acting, shall have all the power of and be subject to all the restrictions upon the president. The vice president shall perform such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

Section 7. ***Treasurer.*** The treasurer shall be responsible for the supervision of all funds received by the association, or any of its committees, and such funds shall be disbursed only by his direction and authority. The treasurer shall give bond for the faithful discharge of his duties in such sum and with such surety as the Board of Directors shall determine. In general, he shall perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

Section 8. ***Secretary.*** The secretary shall keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; be custodian of the corporate records; keep a register of the post office address of each member which shall be furnished to the secretary by each member, and, in general, perform all duties incident to the office of secretary, and such other duties as from time to time may be assigned to him by the president or by the Board of Directors. He shall distribute copies of the minutes of the meetings to the respective directors of the corporation. The secretary shall prepare the proceedings of any Assembly of the association and distribute copies to the association members.

ARTICLE VII

Committees

Section 1. ***Executive Committee.*** The Board of Directors by resolution may appoint an executive committee consisting of the officers and other members of the Board of Directors in such a manner that each regional association shall be represented on this committee. The executive committee shall have and exercise the authority of the Board of Directors in the management of the corporation to the extent provided in the resolution.

Section 2. ***Nominating Committee.*** Not later than one month prior to the annual meeting, the president shall appoint a nominating committee consisting of three directors. He shall designate one to serve as chairman and this committee shall recommend at the next annual meeting of the Board a slate of officers to be voted upon at such meeting.

Section 3. ***Other Committees.*** Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be designated by the Board. Members of such committees shall be appointed by the president and may include persons belonging to the association who are not members of the Board of Directors. The president shall designate the chairman of such committees.

Section 4. ***Term of Office.*** Each member of a committee shall continue as such until his successor is appointed, unless the committee shall be sooner terminated, or unless such member resigns or is removed from the committee.

Section 5. ***Vacancies.*** Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of original appointments.

Section 6. ***Quorum.*** Unless otherwise provided by the Board of Directors, a majority of the Executive Committee shall constitute a quorum of that committee, and for other committees two shall constitute a quorum and the acts of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

ARTICLE VIII

Dues

Section 1. ***Annual Dues.*** The dues for an institutional membership shall be set by the Board of Directors provided that such dues shall not exceed $20.00 per fiscal year. The dues of institutional members shall be collected by the regional association from the regular members and remitted to the treasurer of this association.

Section 2. ***Membership in Regional Association.*** Payment of dues to the National Association shall not be a mandatory requirement for membership in a regional association; if any institution holds a membership in more than one regional association or different memberships in various regional associations, it shall nevertheless be required to pay dues to this association only once. It will be the responsibility of the particular institution to identify the regional association through which it holds national association membership if the question arises.

ARTICLE IX

Miscellaneous

Section 1. ***Books and Records.*** The corporation shall keep correct and complete books and records of account, and shall also keep minutes of the proceedings of the meetings of its membership, Board of Directors, and committees appointed by the Board of Directors. It shall keep at the registered or principal office a record giving the names and addresses of the members. All books and records of the corporation may be inspected by any member, or its agent or attorney, for any proper purpose at any reasonable time.

Section 2. ***Budget.*** The financial operation of this association shall be on the basis of a balanced budget and no financial obligation shall be incurred by any officer or committee except as authorized by the Board of Directors. At the annual meeting the Board of Directors shall approve a budget for the following year.

Section 3. ***Fiscal Year.*** The fiscal year shall begin on the first day of June of each year and close on the thirty-first day of May next succeeding.

Section 4. ***Voting*** At meetings of the membership of the National Association, each institutional member shall be entitled to one vote. Each member institution shall designate to the Secretary the individual who is to represent it and cast its ballot at any membership meeting, or in the event of mail ballot, when such a mail ballot is conducted. At any membership meeting, any institutional member not represented by its delegate or his alternate may vote by proxy executed in writing by the individual member or its duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

Section 5. *Corporate Seal.* The Board of Directors shall adopt a corporate seal which may be in typewritten form.

Section 6. *Amendment to By-Laws.*. These by-laws may be altered, amended, or repealed by the affirmative vote of the majority of the member institutions conducted by a mail ballot. A tabulation of the votes shall be made by the secretary thirty days after mailing of the notice and ballot to member institutions.

Section 7. *Gifts.* The Board of Directors may accept on behalf of the corporation any contributions, gifts, bequests, or devises for the general purposes or for any special purpose of the corporation.

Section 8. *Reports.* The secretary shall file such reports as are required by law and between the 15th day of January and the last day of February of each year shall file an Annual Report with the Secretary of State of Illinois in the form prescribed by him, setting forth the name of the corporation, the address of its registered office in Illinois and the name of its registered agent at such address, the names and respective addresses of its Directors and Officers, and a brief statement of the character of affairs which the corporation is actually conducting. This annual report shall be executed and verified for the corporation by its president, vice president, secretary, or treasurer. A fee of $1.00 is required to be paid to the State of Illinois in conjunction with the filing of this annual report.

Section 9. *Effective Date.*. To the extent that these by-laws change, alter, or add to existing by-laws, they shall be effective from and after the date of their adoption except that the Board of Directors as presently constituted shall continue to exercise its authority as constituted until such time as new members are appointed in accordance with the requirements of these by-laws and in the regular course of affairs.

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